Living on the edge
Protecting buildings against earthquakes
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Another setback for Clinton
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FINANCIAL TIMES

Europe's Business Newspaper — THURSDAY JANUARY 20 1994

BA protests over $254m 'subsidy' for Air France

British Airways urged the European Commission to force state-owned flag carrier Air France to repay a FFr1.5bn ($254m) capital injection, saying it constituted a subsidy in contravention of the Treaty of Rome.

Air France rejected the British airline's claim and insisted the injection involved convertible bonds and other paper issued under normal market conditions. Page 14; Italian plans Gatwick airline, Page 8

US drops China's favoured nation status: US Treasury secretary Lloyd Bentsen said China had not made sufficient progress on human rights to warrant US renewal of its Most Favoured Nation trading status. Page 4

Italy's electricity chief arrested: Franco Viezzoli, head of Enel, Italy's electricity authority, was arrested on charges of fraud, abuse of office and manipulation of bids relating to a power station project in southern Calabria. Page 2

Aspin extends stay at Pentagon

Les Aspin, left, due to step down today as US secretary of defence, will stay on until the Clinton administration names a new successor, following Bobby Ray Inman's abrupt decision to withdraw as the nominee for the post. There has been no word on when a new candidate will be named. Possible choices include CIA chief James Woolsey and William Perry, deputy secretary of defence. Page 6

UK rate cut hope: Hopes of a cut in UK base rates from 5.5 per cent were revived by lower-than-expected UK retail sales and inflation in December. Page 14 and Lex

Roche on the rise: The Swiss drugs group is the big winner in this year's FT500 ranking of Europe's top companies measured by market capitalisation, rising to third place from sixth. Roche moves up, Page 15; FT500, separate section

Deregulation drive: The UK government announced sweeping measures aimed at abolishing or changing 450 items of regulation. Shop opening hours, children in pubs, and streamlining of the law on mergers are among the areas covered. Page 14; Editorial Comment, Page 13

Algeria frees fundamentalists: Algeria has ordered the immediate release of Moslem fundamentalists held in two prison camps as well as all under house arrest before a national conference on the country's political future.

SA violence warning: South African rightwing leader Constand Viljoen said that conflict was looming and Afrikaners might need a "bit of violence" to create a homeland.

Japanese drugs output fall: Japanese domestic pharmaceuticals production fell for the first time in seven years during 1992. Japan's Pharmaceutical Manufacturers' Association blamed government-imposed price cuts and distribution system reforms. Page 3

Intel, leading US semiconductor maker, reported net income of $2.3bn for 1993, more than double the 1992 figure. Page 26

British MP praises Saddam: A British opposition Labour party member of parliament, George Galloway, was disowned by his party leader John Smith after appearing on Iraqi television, praising President Saddam Hussein's "courage" and "power".

HK Telecom chief dies: The death of Michael Gale, 53, chief executive of Hongkong Telecom, shocked the colony's business community. Page 4

McDonnell Douglas, US defence and aerospace group, reported a fourth-quarter loss of $132m after taking a special $450m pre-tax charge for its C-17 aircraft programme. Page 15

BankAmerica, California-based banking group, missed out on the earnings advances at other big US banks towards the end of last year and reported fourth-quarter net income of $496m, compared with $473m in the last quarter of 1992. Page 18.

Chantilly out of the running: Chantilly near Paris, the race track which hosts the French derby, will be closed down by next year at the latest, France's racing authorities decided. The venue no longer meets safety regulations.

■ STOCK MARKET INDICES		
FT-SE 100:	3,475.1	(+38.1)
Yield	3.39	
FT-SE Eurotrack 100	1,488.83	(+9.80)
FT-SE-A All-Share	1,743.66	(+1.6%)
Nikkei	19,039.40	(+524.85)
New York: lunchtime		
Dow Jones Ind Ave	3,868.04	(-2.25)
S&P Composite	472.70	(-1.55)
■ US LUNCHTIME RATES		
Federal Funds:	3⅛%	
3-mo Treas Bills: Yld	3.024%	
Long Bond	98½	
Yield	6.268%	
■ LONDON MONEY		
3-mo interbank	5⅜%	(5¼%)
Liffe long gilt future:	Mar 120	(Mar 119⅛)
■ NORTH SEA OIL (Argus)		
Brent 15-day (March)	$13.945	(13.855)
■ Gold		
New York Comex (Feb)	$392.7	(393.6)
London	$391.4	(391.25)

■ STERLING		
New York lunchtime:		
$	1.492	
London:		
$	1.4918	(1.4972)
DM	2.6016	(2.618)
FFr	8.8409	(8.8819)
SFr	2.1773	(2.1962)
Y	165.428	(165.809)
£ Index	82.3	(82.9)
■ DOLLAR		
New York lunchtime:		
DM	1.7462	
FFr	5.935	
SFr	1.4615	
Y	110.945	
London:		
DM	1.744	(1.7487)
FFr	5.9265	(5.9325)
SFr	1.4595	(1.4669)
Y	110.885	(110.75)
$ Index	67.3	(67.4)
Tokyo close Y 110.77		

Austria	Sch32	Greece	Dr350	Lux	LFr65	Qatar	QR13.00
Bahrain	Din1.250	Hong Kong	HK$18	Malta	Lm0.60	S.Arabia	SR11
Belgium	BFr65	Hungary	Ft185	Morocco	MDh15	Singapore	S$4.30
Bulgaria	Lv25.00	Iceland	IKr215	Neth	Fl 4.00	Slovak Rp	KSL50
Cyprus	C£1.10	India	Rs60	Nigeria	Naira50	South Africa	R12.00
Czech Rp	CZK30	Israel	Shk8.99	Norway	NKr17.00	Spain	Pta225
Denmark	DKr18	Italy	L3000	Oman	OR1.50	Sweden	SKr16
Egypt	E£5.00	Japan	Y500	Pakistan	Rs40	Switz	SFr3.30
Finland	FM14	Jordan	JD1.50	Philippines	Peso50	Syria	S£50.00
France	FFr8.00	Kuwait	Fils625	Poland	Zl 32,000	Tunisia	Din1.500
Germany	DM3.50	Lebanon	US$1.50	Portugal	Es225	Turkey	L10000
						UAE	Dh12.00

Hopes for compromise on Russia's government

Signs of panic as population rushes to exchange roubles

By John Lloyd in Moscow

A compromise was in prospect last night in the search for a new Russian government, amid reports that Mr Boris Fyodorov might agree to stay on as finance minister in the face of a plunging rouble.

Reporting this, Interfax news agency also said Mr Alexander Shokhin, like Mr Fyodorov a deputy premier in the present government, had accepted the post of economics minister.

The indications were that Mr Oleg Soskovets would retain his title as first deputy prime minister in the new cabinet with overall responsibility for industrial policy and possibly also for the economy.

However, an independent radio station source quoted Mr Fyodorov as saying that he would not take any post unless his conditions were accepted.

These apparently conflicting reports confirmed indications that the process of forming a government was growing steadily more difficult, as President Boris Yeltsin fights to retain the radical Mr Fyodorov and a moderate reformer in the shape of Mr Shokhin at the levers of the country's economy. Mr Yeltsin has been negotiating over the last three days with Mr Viktor Chernomyrdin, the centrist prime minister.

Earlier yesterday, Interfax reported that Mr Chernomyrdin had refused to accept the conditions set by Mr Fyodorov for taking a cabinet post. These included a ministerial rank commensurate with the central position he accords to finance, and a commitment by the cabinet to a radical reform policy. In his latest set of demands, Mr Fyodorov dropped his insistence that Mr Viktor Gerashchenko be relieved of his post as chairman of the central bank.

The move is clearly designed to address the rapidly worsening financial position in the country where yesterday the rouble again lost more than Rbs100 to the dollar to stand at Rbs1,607, and signs of panic began to appear in the banking community and the population.

Rouble left without a prop ....Page 2
Editorial Comment ....Page 13

Queues again formed to exchange roubles for dollars at exchange points in Moscow, some of which ran out of US currency. Banks fear that they may also lack sufficient hard currency.

It was not clear yesterday evening how far Mr Chernomyrdin had met Mr Fyodorov's demands for a tight financial policy and for freedom to run the state finances. However, his apparent willingness to serve in the government is an indication both of the still surviving commitment by the government and the president to at least the appearance of economic reform.

It also shows the split in the liberal ranks after the weekend resignation of Mr Yegor Gaidar, the chief reformist.

The breakthrough came as a rebuff to an offer earlier yesterday by Mr Grigory Yavlinsky, another prominent reformer, who proposed that Mr Yeltsin give him the task of forming the next government. He said in an interview: "I will not be able to stop inflation, and things will be very difficult. But at least there would be a coherent government with me as prime minister".

Bosnia firm on territorial demands

Bosnian president Alija Izetbegovic (right) and his prime minister Haris Silajdzic before the Geneva peace talks on former Yugoslavia. Croatia and Serb-led Yugoslavia agreed to establish low-level diplomatic relations, stepping up pressure on Bosnia to endorse a deal on the republic's partition Report, Page 2 AP

Vote on Japanese political reform looms as talks fail

By William Dawkins in Tokyo

Japan's governing coalition is to call a parliamentary vote on plans to reform the scandal-prone political system. It follows the collapse last night of negotiations for a compromise with the opposition Liberal Democratic party.

If successful, the ballot in a committee of the upper house of parliament will pave the way for a vote by the full house by the end of the week. That is the final stage before the enactment of the four bills, which will bring the biggest change to the organisation of Japanese democracy since the war.

Political suspense of this kind is relatively new to Japan, after 38 years of LDP rule which ended last July. The horse-trading has forced the government to delay an urgently needed package to stimulate the economy.

The vote will be close, because the upper house majority of the seven-party coalition is smaller than that in the lower chamber, where it won a showdown over reform two months ago. It also faces an unknown number of defections from both sides of the upper house.

Mr Morihiro Hosokawa, prime minister, said last night he was still prepared to meet Mr Yohei Kono, LDP president, in a final attempt to strike a deal. "Even if the upper house committee votes on the bills, we're still going to have our leadership talk," he said.

Members of the coalition and the LDP had made little progress during three meetings earlier in the day. If the bills do not pass parliament by midnight tomorrow they will expire, making it very hard for Mr Hosokawa to meet his self-imposed deadline of achieving political reform by the end of the month.

Yet Mr Hosokawa's scope to strike an 11th hour deal on reform with the LDP is limited by the risk he runs of offending the Social Democratic party, which is the coalition's biggest partner. Mr Kono is so unpopular in his own LDP ranks, and his party so divided that he might be incapable of enforcing any deal he signs.

Several LDP members opposed to reform yesterday suggested that Mr Kono face a vote of no confidence.

Yesterday's talks centred on an LDP proposal that the number of lower house members elected from single-seat constituencies should be increased from the coalition's planned 274 to 280, and those chosen by proportional representation from 226 to 230. Currently, lower house members are chosen from multi-seat constituencies and members of the upper house by proportional representation.

The LDP compromise would create a 510-seat parliament, nearly the same size as the current (511-seat) chamber, so neutralising opposition from politicians who fear losing their seats in the smaller 500-seat parliament planned in the reform bills.

Clinton sees havoc caused by California quake

By Louise Kehoe in Los Angeles

Damage estimates from Monday's Los Angeles earthquake rose as high as $30bn yesterday as President Bill Clinton arrived in the devastated area.

Mr Clinton, who was met by a fresh aftershock shortly after he stepped off his aircraft, was expected to visit residents of Northridge, at the epicentre of the quake, who have been forced out of their homes. He was also expected to reiterate promises that the Federal government would provide financial aid to the quake-torn region.

California Governor Pete Wilson told the federal emergency management agency that the total damage from the quake could reach $15bn to $30bn, making it the most costly natural disaster in US history.

His estimate is in part derived from estimates provided to the state by EQE International, a San Francisco engineering consultancy that specialises in assessing natural disaster risks.

Mr Earl Aurelius, vice president of EQE, which is under contract to the state, said the preliminary estimate of damage to structures and contents was $15.1bn, excluding business losses. Of that total, EQE estimated that between $1.5bn and $1.9bn was covered by insurance.

EQE had used a computer model, combined with the observations of 30 of its engineers in Los Angeles, to assess the damage, Mr Aurelius said. "We are feeling increasingly comfortable with our $15.1bn estimate as we get further reports from the field," he added.

Damage was far more serious than in the 1989 San Francisco Bay Area earthquake, where costs rose to $7bn, because of the higher concentration of properties close to the epicentre, the consultants said.

The estimates are preliminary and are being refined day by day, a spokesman for the governor said. However, the $15bn to $30bn estimate provides a good "ballpark", albeit a large one, he said.

Continued on Page 14
Dream into nightmare, Page 6
Quake-proof buildings, Page 10

France starts $6bn Elf sell-off

By John Ridding in Paris

The privatisation of Elf-Aquitaine, the oil company which is France's largest industrial group, will be launched today with the start of the pre-marketing period, Mr Edmond Alphandéry, the economy minister announced yesterday.

"I have just started the largest privatisation ever to take place in France," said Mr Alphandéry. "I am confident in the success of the operation. It is a very attractive company and France's top industrial group."

The sale of the majority of the state's 51 per cent stake in the group is expected to raise more than FFr35bn ($5.9bn). Mr Alphandéry said the privatisation issue would take place over the coming weeks, depending on market conditions, and by April 20 at the latest.

From today, individual investors will be able to apply for shares in Elf. Of the 60m shares to be offered for sale on the financial markets, 33m will be reserved for individual investors and 27m will be allocated to the tranche for institutional investors. A further 6.5m will be

Continued on Page 14

Hanwa chief quits over huge losses

By Michiyo Nakamoto in Tokyo

Mr Shigeru Kita has resigned as president of Hanwa, the Japanese steel trading company, in the wake of huge investment losses in the financial markets which are forcing an extraordinary write-off of Y120bn ($1.08bn).

He took responsibility for the losses, blamed by the company on the sharp fall in the Tokyo stock market, which will contribute this year to an after-tax loss forecast at Y47.2bn.

The write-off is believed to be one of the largest related to financial transactions made by any Japanese company.

Funds amounting to about Y1.3 trillion still invested in financial instruments will be withdrawn over three to four years.

The company, which had a reputation for aggressive financial trading activities in the late 1980s, said it would end all transactions aimed at making profits on the financial markets and concentrate on its core business of trading in steel and other products.

The decision by Hanwa, whose enormous influence on the financial markets at one time earned it the nickname of "shadow Bank of Japan", came as a stark reminder to the Japanese business community of the damage wrought by an era of huge asset inflation and speculative financial trading. In particular, the resignation of Mr Kita, who will become a consultant to the company, marks a humiliating end for a man whose keen financial instinct was legendary and once brought the company he led not only notoriety, but power and huge wealth.

At its peak, speculative financial trading supported record annual pre-tax profits of Y38.4bn, of which more than 70 per cent, Y27bn, came from non-operating profits.

Mr Kita will be succeeded for the time being by his elder brother, Mr Jiro Kita, currently chairman but who will eventually resign both as president and chairman to make way for his son, Mr Shuji Kita, a former bureaucrat with the Ministry of International Trade and Industry and managing director of Hanwa.

Mr Takashi Iwami, vice-president, said that forecasts for the year to March were also being revised. The core business of trading in specialised steel products was firm, leaving its sales forecast unchanged at Y570bn. However, pre-tax profits would be Y11.7bn instead of the previously expected Y4bn since losses from financial transactions would no longer arise at the pre-tax level. There would be a net loss of Y47.2bn instead of a profit of Y3bn and the final dividend was being passed.

CONTENTS

■ Rouble set for further falls ■ Brussels thinks again on aid ■ Anxiety over Baltic states ■ US expresses surprise

Political uncertainty leaves the rouble without a prop

By John Lloyd in Moscow

A dam has burst for the rouble, with its fall from 1,200 to 1,607 against the dollar in less than three weeks.

The pressure had been building for months, thanks to the widening differential between the Russian inflation rate, of between 12 and 20 per cent a month in the second half of last year, and the stability of the Russian currency against the dollar.

But what broke the wall was the political crisis caused by the refusal of Mr Yegor Gaidar and Mr Boris Fyodorov, the most prominent reformers in the outgoing cabinet, to serve in the next one.

Mr Fyodorov yesterday accepted the post of finance minister in the new cabinet, but the pressure on the rouble and the Russian financial system is likely to continue.

The banks are now very jittery about the future for economic reform – it was their movement out of roubles and into more stable currencies on the inter-bank market that triggered the rouble's most recent slide. The government will need to deliver a far more coherent economic policy to regain the confidence of its financial institutions. Nor will the structural need for a realignment in the currency, thanks to high inflation, be easily addressed.

Yesterday, Moscow's heavily barred exchange points were surrounded by small crowds, with wads of roubles in their handbags and pockets.

Just off Pushkin Square, outside an exchange that had run out of money, a cashier was screaming at the queue, who were screaming at her. In the lobby of the upmarket Slavyanskaya Hotel, where President Bill Clinton stayed last week, the branch of Dialog Bank had also run out of hard currency.

By the end of the afternoon, most points in the centres appeared to be closed – with signs advertising the fact that they had run out of dollars, an implicit recognition that no one wanted to buy roubles.

Most analysts were not yesterday predicting a complete collapse of the currency. There is still demand for roubles – the more so because cash transactions, from January 1, cannot be in dollars. Wages must be paid, purchases made, and for many, the dollar is still unfamiliar, even if stable.

"This has been coming for some time," said one analyst. "Sooner or later the difference between the growing inflation rate and the dollar rate would have had to work through, and the political crisis made it sooner". This analyst had worked out that, had the rouble devalued parallel with inflation, it would now be trading at around 3,500 to the dollar – though he did not expect it to sink so low.

It is possible a full-scale panic could now emerge: the central bank, which intervened yesterday and the day before to limit the fall to around 100 roubles, could allow the rouble to sink, or be unable to stop it though intervention. The crowds changing money are not vast, but they are significant and could grow.

Whatever the outcome of the current political crisis, the structural pressure on the rouble is likely to remain for some time. Inflation is now thought to be very high – as high, according to the daily Sevodnya, as it was at the beginning of 1992, when a raft of prices were suddenly liberalised. Even as the triumph of last December, when it was brought down to the level of 12 per cent a month, was being trumpeted, prices zipped up in the week between December 27 and January 3, by at least 7 per cent. Prices are now on course to end the month more than 30 per cent higher than a month earlier.

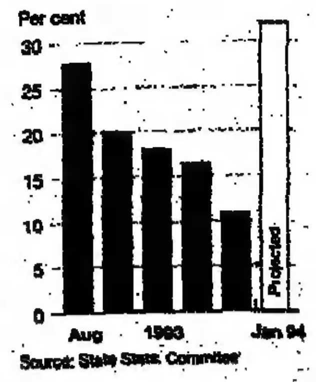
Spending decisions just before, and very soon after, the December 12 elections could exacerbate the situation. Those made before included assistance to the coal industry and to agriculture, as well as increases to pensions and the minimum wage. Those made after include the payment of part of the Rbs6,000-7,000bn in unpaid wages and other government commitments, slashed by Mr Fyodorov in the last quarter of last year and now up for payment.

There have also been one-off spending commitments, such as the refurbishment of the shelled White House (set to cost $70m); to the new parliamentary centre (at around $500m) and the as yet unknown cost of the coming agreement on economic union between Belarus and Russia.

Moscow's bankers are beginning to worry that they may not survive the crisis, in that they lack the hard currency to feed a sustained demand for dollars. Mr Alexei Obozintsev, deputy head of Tokobank, said yesterday: "Yeltsin is the only hope left, he's the only reformer we have. He must act now."

However, the classic reaction of a central bank to such a crisis – higher interest rates – has not been announced and is not foreshadowed.

Russian inflation



Source: State Stats Committee

Brussels shies away from big aid packages

By Lionel Barber in Brussels

The European Commission yesterday signalled that it was re-examining how best to keep alive prospects for economic and political reform in Russia.

Officials said that Brussels was leaning toward more aid for training and other micro-economic measures aimed at encouraging private enterprise in Russia, rather than multi-billion dollar macro-economic stabilisation packages co-ordinated by the International Monetary Fund.

This reflects growing sentiment that the EU should focus more on practical measures at municipal and regional level, especially now the hand of the economic reformers in Moscow appears to be weakened.

Sir Leon Brittan, chief EU trade negotiator, outlined the new thinking in talks three days ago in Brussels with Mr Ivan Silayev, the Russian ambassador to the European Union.

"He told the ambassador that we only support President Yeltsin because he is a reformer, not because we simply want to support Yeltsin," said one official.

Between 1990 and 1993, the EU contributed almost three-quarters of world aid – Ecu52.4bn (£41.23bn) – to Russia and the newly independent former Soviet republics, much more than the US and Japan. The Commission itself supplied Ecu3.5 bn, largely through specially targeted aid programmes.

Mr Henning Christophersen, economics commissioner, said this week that western aid to Russia should be broadened. "We should not forget how important it is for the reform programme to get the private sector to work in a more efficient way."

In a speech last Friday, Sir Leon called for aid efforts to include more social programmes and spending on infrastructure so that the average Russian citizen recognised his stake in economic reform.

The new focus may provoke misgivings in the Clinton administration which – after some hesitation – has reaffirmed its faith in centrally-guided reforms based on lowering inflation and the budget deficit. President Clinton's message in his recent trip to Moscow was "more reform in Russia and more money".

Negotiations between Moscow and Brussels have been stalled since the political and economic power struggle. Brussels officials are braced for an even tougher Russian stance, even though the outstanding obstacles are relatively few – notably, access to the Russian banking sector and the rules governing the trade of uranium between the EU and Russia.

Key reformer Boris Fyodorov is staying, but that may not be enough to stem the rouble's slide Reuter

Moscow backpedals in row over Baltic troops

By John Lloyd

The Russian Foreign Ministry yesterday assured western diplomats that remarks by Mr Andrei Kozyrev, the Russian foreign minister, that Russian troops would stay in the Baltics had been reported out of context.

However, doubts remain about Mr Kozyrev's – and the Russian government's – intentions. "This was clearly meant to be some sort of signal," said a senior western diplomat yesterday. "But it's not clear what, since the signals vary depending on the part of the government they come from."

Mr Kozyrev, who addressed ambassadors and senior officials of the foreign, defence and interior ministries on Tuesday, had been quoted as saying that Russian troops should remain in the former Soviet republics, including the Baltic states, to avoid a security vacuum and to protect Russian speakers in these states.

Reports of his remarks caused protests from the Baltic states.

Lithuania said it was strange that such a speech was made immediately after the meeting of the presidents of the US and Russia and at the time when the new Russian parliament opened. Presidents Boris Yeltsin and Bill Clinton signed an understanding on the Baltics, which included a Russian commitment to complete troop withdrawals.

Mr Georgy Karasin, the foreign office's chief spokesman, told the Interfax news agency yesterday that he had been using the words "presence" and "withdrawal" (of troops) in the "broadest possible sense".

However, western diplomats believe that the permission to the agencies to report the speech, and the harsher tone taken towards the Baltics, sends a signal to these states and to the world that the attitude continues to harden – especially since the Yeltsin administration sees a need to steal some of the thunder from the patriotic right in parliament.

Concern grows in US

By George Graham in Washington

US officials were yesterday putting a brave face on the emerging policies of Russian President Boris Yeltsin, but admitting surprise that President Bill Clinton's apparent successes in Moscow last week should have been so quickly called into question.

The resignation of Mr Yegor Gaidar from the Russian government has been seen as contradicting the whole tone of the Moscow summit, during which Mr Clinton emphasised the need to press ahead with economic reform.

US officials are now pinning their hopes to the prospect of Mr Boris Fyodorov, the finance minister and another economic reformer, staying in the Russian government.

Such concerns over the pace of economic reform have been accompanied by rising anxiety over the continued presence of Russian troops in the Baltic states of Latvia and Estonia.

Clinton administration officials were this week taken aback by the suggestion by Mr Andrei Kozyrev, the foreign minister, that it would be dangerous for Russia to withdraw all its troops from the territories of the former Soviet Union. Mr Clinton had pressed Mr Yeltsin at the Moscow summit for a swift withdrawal of troops from Estonia and Latvia, and believed he had received assurances from Mr Yeltsin that this would happen.

Mr Michael McCurry, a State Department spokesman, said that Mr Kozyrev's comments were "certainly at odds with statements signed by President Yeltsin in Moscow".

"We have told the Russian government repeatedly that we expect prompt withdrawal of all Russian troops from Estonia and Latvia," he said.

Enel chief faces power station fraud charges

By Robert Graham in Rome

Mr Franco Viezzoli, the head of Enel, Italy's electricity authority, was yesterday arrested on charges of alleged serious fraud, abuse of office and manipulation of bids relating to the construction of a power station at Gioia Tauro in southern Calabria.

He was arrested with 10 members of Enel in a police operation relating to the alleged rigging of bids for the power plant and the involvement of the 'ndrangheta, the Calabrian mafia. Among the Enel executives were Mr Guido Gallizioli, the deputy director, as well as Mr Alberto Negroni, former managing director.

A total of 39 arrest warrants were issued covering local and national contractors, including Mr Lorenzo Panzavolta, the former head of Calcestruzzi, the Ferruzzi group's construction arm. Those arrested include those suspected of operating front companies for the leading local mafia families, the Piromalli and Pesce.

Since 1989 magistrates in Calabria have been investigating the construction of Enel's power plant at Gioia Tauro, the site of an unbuilt steel complex. In 1990 work was stopped because contractors were suspected to have been infiltrated by the local mafia. Enel sought to restart the project and the go-ahead with new guidelines was given last November.

Enel said yesterday it hoped the matter would be clarified as soon as possible.

As a result of magistrates' investigations into bribes and illicit payments to contractors, evidence has emerged of alleged corruption in at least two Enel power station contracts – Brindisi in the south and Montalto near Rome. But this is the first time executives have been charged.

Viezzoli: bid rigging alleged

In a separate development, Ravenna magistrates have decided to broaden the charges against the Ferruzzi family and former managers of the group to include conspiracy to commit a crime. This is the same charge as that levelled against criminal organisations and it is the first time magistrates have directed it against those running an industrial concern.

Those affected include Mr Arturo Ferruzzi, the former chairman, Ms Alessandra Ferruzzi, his sister and wife of Mr Carlo Sama, former head of Ferruzzi's main industrial arm, Montedison, who was also indicted with the new charge; Mr Giuseppe Garofano, former chairman of Montedison; Mr Giuseppe Berlini, the Swiss-based head of the Ferruzzi family's overseas operations, and Mr Sergio Cragnotti, the former right-hand man of the late Raul Gardini while he was running the Ferruzzi family's business.

It is not clear how this will affect Milan magistrates' well-advanced investigation into the Ferruzzi-Montedison group.

UK seeks more EU ties with Turkey

By John Murray Brown in Ankara

Mr Douglas Hurd, Britain's foreign secretary, yesterday promised an initiative to deepen ties between Turkey and Europe, in a move which Greece promptly attacked as in breach of European Union foreign and security policy.

Mr Hurd, who arrived in Ankara yesterday, was due to deliver a speech on Europe and Turkey, ahead of talks today with both his Turkish counterpart, and Mr Klaus Kinkel, the German foreign minister.

With the Germans joining the talks, Turkey has an opportunity to air concerns about being isolated in the process of European integration, a discussion which has often been difficult to hold in the EU because of the Greek veto. The Anglo-German initiative is the first joint action to co-operate in areas of common concern.

Turkey, a Nato member, has had an agreement of association with the EU since 1963 and applied for full membership in 1987 but was rejected in 1989. Relations have since been strained over concern on human rights, Cyprus and Greece's use of its veto as an EU member to block financial support for Turkey.

Mr Hurd's visit coincides with the start of the six-month presidency of the EU by Greece, Turkey's long-time rival. In Athens a Greek government spokesman said the meeting breached the foreign and security policy outlined by the Twelve at the Maastricht summit in 1992.

In the unlikely event of an early decision on Ankara's application for full EU membership, the UK is seeking to cement Turkey's relations with Europe. Ankara fears losing ground to applicants from Efta and former communist states of east Europe.

Greece softens stance on conditions for EU entry

By David Gardner in Strasbourg

The Greek presidency of the European Union yesterday disavowed a proposal it made last week to limit EU regional aid available to the remote and poorer regions of the Nordic and Alpine countries which are negotiating entry to the union.

The proposal, which would have had most effect on Norway and Sweden, the two countries most reticent on membership, could have complicated negotiations which have to be completed by March 1 to keep to the deadline of entry in January next year.

Yesterday, however, Mr Theodoros Pangalos, the Greek European affairs minister, said of the proposal that "it's not our position, it's simply a working paper". The confidential January 10 paper, nevertheless, is clearly described as a "presidency proposal".

Mr Pangalos, who presented the Greek presidency's work programme to the European Parliament yesterday, is to visit Sweden, Finland and Norway from tomorrow for talks on the enlargement talks.

On the sensitive issues of regional and agricultural subsidies and how much the four applicants should contribute to the EU budget, the minister insisted "there is no Greek proposal at the moment, and there won't be until we've completed our talks with the candidate countries".

● The European Commission yesterday agreed on the shareout of the Ecu14bn ($15.5bn) social fund for 1994-99, which is aimed mainly at combating long-term and youth unemployment.

The Ecu14bn goes principally to those countries with the largest number of unemployed, excepting Greece, Portugal, Ireland and more than half of Spain, which, as relatively poorer areas, are entitled to more generous EU structural aid.

The UK share will be Ecu3.4bn, France gets Ecu3.2bn, Germany gets Ecu1.9bn, Spain Ecu1.8bn and Italy Ecu1.7bn.

The social fund is mainly for training and retraining the unemployed, but part of it can now be used to retrain workers who work in industries vulnerable to structural change.

The European Parliament yesterday appeared to have won the argument over its right under the Maastricht treaty to ratify the Uruguay Round world trade agreement on behalf of the European Union, writes David Gardner in Strasbourg.

The Commission and some member states were reluctant to allow parliament to ratify the treaty. But Sir Leon Brittan, EU trade commissioner, said yesterday it was only right that parliament should take the final vote.

French recovery hits bumpy patch

By David Buchan in Paris

The uneven nature of France's economic recovery was yesterday underlined by industrial production figures, released by Insee, the official statistics agency. In November last year industrial production rose by 0.6 per cent over its level in October following a month-on-month drop of 0.7 per cent.

Despite see-sawing and conflicting indications of an economic upturn, the government is adhering to its forecast of 1.4 per cent growth for this year, while busily reviewing its options if the economy looks like falling far short of this.

Mr Edmond Alphandéry, the economy minister, yesterday said the credibility of the government's forecast had been reinforced by a Bank of France survey of industrialists in December who "confirmed the improvement in industrial production detected in November".

Insee is predicting that output in the fourth quarter of 1994 will show a 0.3 per cent rise over the third quarter. The agency forecasts an average 0.4 per cent output rise in the first two quarters of this year.

After Prime Minister Edouard Balladur discussed the situation with three of his economic ministers yesterday, Mr Nicolas Sarkozy, the budget minister and official government spokesman, said "encouraging prospects" had been identified, and that no new measures would be announced before a special February 3 ministerial seminar. Mr Balladur is to hold similar discussions on health insurance reform today and on unemployment next week.

This flurry of meetings is prompted partly by Mr Balladur's desire to regain political momentum after last week's setback to his education reform, and partly out of genuine uncertainty about the economy and worry over rising unemployment.

Croats and Serbs form new ties

By Laura Silber in Geneva

Croatia and Serb-led Yugoslavia yesterday agreed to establish low-level diplomatic relations, stepping up pressure on the Bosnian government to endorse a deal on the republic's partition.

Under the modest accord, signed by the foreign ministers of Croatia and Yugoslavia, the two countries will set up representative offices in their respective capitals by February 15. While proclaiming the declaration "a major step towards the normalisation of relations between Croatia and Serbia", Mr Franjo Tudjman, the Croatian president, was disappointed by the refusal of Mr Slobodan Milosevic, his Serbian counterpart, to extend full diplomatic recognition of Croatia within its borders.

The agreement failed to address the most serious point of contention, the fact that Serbs have set up their own state, of Krajina, on a third of Croatian territory. The Krajina Serbs yesterday said Croatia could sign international agreements "only for the territory that it controls".

Diplomats said the restoration of communication and transport links would be top priority. However, similar agreements put forward since 1991 have collapsed.

Mr Mohamed Sacirbey, Bosnia's ambassador to the United Nations, expressed the Moslem-led government's fear of a Serbo-Croat carve-up at their expense. "We hope this does not signal a further alliance of war against our country. Croats should decide whether they are victims in this war or whether they are opportunistic aggressors".

Meanwhile, talks among the three warring parties on the division of Bosnia remained deadlocked as Mr Alija Izetbegovic, the Bosnian president, stuck to demands for the return of territory in eastern and western Bosnia seized by Serb forces over 22 months of war.

In other sessions, Lord Owen and Mr Thorvald Stoltenberg, international mediators, discussed the creation of an international arbitration commission to settle territorial disputes.

In a surprise move the Bosnian spokesman yesterday announced that Mr Izetbegovic would back the arbitration proposal. It would effectively sanction the military status quo until the commission determined which ethnic community should control a contested town.

Serb leaders did not immediately comment on the proposal, which could win their endorsement even though they have opposed international involvement in the past.

● The French government was yesterday considering a successor to General Jean Cot, who is to relinquish his command of United Nations forces in ex-Yugoslavia at the request of Mr Boutros Boutros-Ghali, the UN secretary-general, by March 31, writes David Buchan in Paris.

As the largest provider of UN troops in the former Yugoslavia, it is for France to propose replacing General Cot with another French general - rumoured to be General Bertrand de Lapresle.

THE FINANCIAL TIMES
Published by The Financial Times (Europe) GmbH, Nibelungenplatz 3, 60318 Frankfurt am Main, Germany. Telephone ++49 69 156 850, Fax ++49 69 5964481, Telex 416193. Represented by Edward Hugo, Managing Director. Printer: DVM Druck-Vertrieb und Marketing GmbH, Admiral-Rosendahl-Strasse 3a, 63263 Neu-Isenburg (owned by Hürriyet International).
Responsible Editor: Richard Lambert, c/o The Financial Times Limited, Number One Southwark Bridge, London SE1 9HL, UK. Shareholders of the Financial Times (Europe) GmbH are: The Financial Times (Europe) Ltd, London and F.T. (Germany Advertising) Ltd, London. Shareholder of the above mentioned two companies is: The Financial Times Limited, Number One Southwark Bridge, London SE1 9HL. The Company is incorporated under the laws of England and Wales. Chairman: D.C.M. Bell.

FRANCE
Publishing Director: J. Rolley, 168 Rue de Rivoli, F-75044 Paris Cedex 01. Telephone (01) 4297-0621, Fax (01) 4297-0629. Printer: S.A. Nord Eclair, 15/21 Rue de Caire, F-59100 Roubaix Cedex 1. Editor: Richard Lambert. ISSN: ISSN 1148-2753. Commission Paritaire No 67808D.

DENMARK
Financial Times (Scandinavia) Ltd, Vimmelskaftet 42A, DK-1161 Copenhagen K. Telephone 33 13 44 41, Fax 33 93 53 35.

EU leaves banana offer on the table

By Deborah Hargreaves

The European Commission said yesterday that its offer of greater access to the banana market in the European Union for Latin American producers remained on the table until February 15 in spite of a damning report by a General Agreement on Tariffs and Trade panel.

The Commission's decision to keep the offer open contradicts earlier threats made in a letter from Mr Rene Steichen, agriculture commissioner, and Sir Leon Brittan, trade commissioner, that the offer would be withdrawn if Latin American producers continued with their Gatt complaint.

Some European countries appeared unhappy with the Commission's apparent about-turn. In addition, Mr Mickey Kantor, US trade representative, is reported to be protesting to the Commission over strong-arm tactics used in encouraging Latin American producers to agree to the deal.

Latin American countries decided late on Tuesday to reject the EU's offer of greater access to the banana market after support from Costa Rica crumbled. Guatemala had held out against the deal.

The latest offer by the EU to eight Latin American producers would allow them to export 2.1m tonnes of bananas to the EU this year as opposed to 2m tonnes last year. It would also increase quota allocations for the Latin Americans, chiefly benefiting Costa Rica which would see its share of the 2.1m tonne access rise to 23.4 per cent from 19 per cent in 1992.

A group of five Latin American countries have complained to Gatt about the EU's banana regime which favours African, Caribbean and Pacific producers under long-term agreements with former colonies particularly of France and the UK. A first panel report by Gatt was released to complainants on Tuesday.

The report found that the EU's banana arrangements are inconsistent with Gatt rules: in particular the tariffs charged, discrimination between groups of producers such as those from Latin American countries and ACP countries and the licensing regime. Although the report is unlikely to be adopted, it puts EU countries in a difficult position. Some member states are pressing for changes to the banana regime.

US farmers seek curbs on Canadian wheat

By Nancy Dunne in Washington

US farmers are pressing the Clinton administration to impose emergency curbs on the flood of cheap Canadian wheat imports now entering the US.

With many grain elevators bulging with Canadian wheat, US farmers have begun to take action. In Montana recently, farmers blockaded delivery of Canadian wheat to a grain elevator with parked trucks.

"We never had wheat coming across before the flawed free trade agreement with Canada," said a spokesman for the US Wheat Associates. "You wouldn't expect it to come across at cheaper than US prices."

US and Canadian negotiators have been trying to reach an agreement on disputes in five farm sectors: wheat, peanut butter, sugar and sugar products, poultry and dairy. Mr Ralph Goodale, Canada's agriculture minister, said it was possible that agreement could be reached this week.

Meanwhile, President Clinton has asked the US International Trade Commission to investigate the wheat imports.

Driven to 'think global and act local'

Christopher Parkes looks at Mercedes-Benz's commercial vehicle strategy

Mercedes-Benz was investing in the North American Free Trade Area before the company knew whether talks between the US, Canada and Mexico would succeed, according to Mr Bernd Gottschalk, head of the company's commercial vehicles division.

Whether it was accident or design which led to the late-1980s purchase of Freightliner trucks in the US and the opening of Mexican capacity now making 12,000 buses and trucks a year, he does not say. But Nafta has encouraged a strategy towards positioning the company to take advantage of what he calls "market conglomerates" or regional market groupings which have yet to come into being.

He is already preparing for Mercosur, the proposed common market comprising Brazil, Argentina, Uruguay and Paraguay and he has posted watch on the Asia Pacific Economic Co-operation group. If the world is to evolve into clusters of trading neighbours, Mercedes-Benz intends to be prepared.

The company started preparing early for the arrival of Mercosur, laying plans to restructure its Latin American manufacturing and at the same time breaking into the regional market for vans. The task began last year with exports of vans from Spain to Argentina and Brazil.

Meanwhile, capacity is being prepared in Argentina for the construction, starting in 1996, of a new van, the T1N, which is due to start production shortly in Düsseldorf. Of the 15,000 start-up production, Mr Gottschalk expects most will be shipped into Brazil. "Our Argentine factories will in future concentrate on vans and gearboxes while buses and trucks will come from Brazil."

Driven to globalisation by high export costs and widely different market needs, Mercedes commercial vehicles is already one of the most international of the Daimler-Benz group's manufacturing businesses. As Mr Gottschalk says, DM10bn of his DM25bn (£9.7bn) annual turnover stems from production sites outside Europe.

While the Mercosur arrangements represent a refinement of an established global investment policy, there is more foreign spending to come.

In Europe, where Mercedes claims 30 per cent of the market for trucks over 6 tonnes and up to 12 per cent of van sales, Mr Gottschalk points out that future growth is strictly governed by expected economic expansion of 2 or 3 per cent a year.

Mercedes-Benz: preparing for new market groupings

In China, he notes, Mercedes has 0.1 per cent of a market likely to expand by 8 to 10 per cent a year. In south-east Asia and other developing regions, market shares fluctuate between 0.5 and 1 per cent.

"We need new ways to enter these markets," he says. Opening capacity, based on the "think global, act local" tenet, developed by his predecessor Mr Helmut Werner, is part of the answer. "We have to enlarge the philosophy."

This process, entailing knitting together the group's products and production sites into a global logistical network, has already started. Buses currently produced with a Beijing partner are built on a chassis from Mercedes do Brasil. New capacity planned for Shanghai will build a bus based on a current Turkish model.

But the concept will be fully tested this summer at the company's Indonesian subsidiary, PT.GMM, selected to pilot production of a new light "component" truck, the MB 700. Co-ordinated through a new regional logistics centre in Singapore; engines will be shipped in from Brazil, axles and drive trains will come from India. Japan will supply power steering and body parts will arrive from Spain.

The truck will also provide supplies for Thailand and Taiwan. Mr Gottschalk also foresees the model coming closer to home. Turkey, he says, is an ideal production platform for central Asia.

But he is reluctant to discuss prospects for building "component" trucks within Germany, an idea which would spell the end of many more domestic jobs. He admits that with around 50 per cent of all parts made within domestic factories "we do a lot more than we should." His short-term target is to reduce vertical integration to 45 per cent. "To go further than that we would need to change our whole production structure," he adds.

"We are trying to be more international than any of our competitors. This is a new concept for the company. It requires new motivation, and we are in the process of convincing our German workforce," he says. "I never believed in the world car, and the world truck is a myth."

Japanese drug production falls

By Paul Abrahams in Tokyo

Japanese domestic pharmaceuticals production registered its first fall in seven years during 1992, according to the latest data published by the Japan Pharmaceutical Manufacturers Association. The trade body blamed government imposed price cuts and distribution system reforms for the 2.2 per cent fall to Y5,574bn (£33.3bn).

The growing strength of overseas groups in Japan and the continuing international weakness of Japanese companies helped the country register the world's largest trade deficit in medicines during 1992, worth Y246.8bn.

Exports increased 15.5 per cent to Y183.3bn.

The largest export market was the US, worth Y41bn, followed by Germany (Y17.9bn), Belgium (Y15bn), China (Y14bn), France (Y13bn), South Korea (Y11bn), and Italy (Y10.7bn).

Only four Japanese companies generated more than 10 per cent of their sales overseas during the year to March 1993. These were Yamanouchi (29 per cent), Fujisawa (24.5 per cent), Tanabe (17.7 per cent) and Takeda (10.2 per cent).

Imports rose 4.3 per cent to Y430bn. Germany was the largest importer generating sales of Y106bn, followed by the US (Y80bn), the UK (Y48bn), Switzerland (Y46bn) and Sweden (Y26bn).

Japanese drugs groups have also been investing heavily in research and development during recent years with the aim of creating world-class medicines. In 1992 they spent Y590bn on R&D, an increase of 14.3 per cent on the previous year. Smaller companies accounted for most of the rise. Ten years ago Japanese groups invested only Y239bn on R&D.

Unctad report urges market regulation

By Frances Williams in Geneva

The United Nations Conference on Trade and Development, the main UN forum on development issues, is urging developing countries to improve the regulation and efficiency of domestic stock markets so as to tap the huge flows of foreign capital seeking high returns in emerging markets.

This represents a big switch of policy for Unctad, which has in the past favoured loan finance from governments and banks for third world industrialisation.

It reflects growing signs that foreign portfolio equity investment (FPEI) is becoming an increasingly important source of external finance for developing countries, and one that appears to be sustainable in the long term.

In a report, Unctad notes that as a percentage of total long-term net resource flows FPEI has risen from 4 per cent in 1989 to 9 per cent in 1992. World Bank figures, which are on the conservative side, show that gross FPEI flows to developing nations rose from \$3.5bn in 1989 to \$13bn in 1992, before slipping to \$11bn (£7.4bn) in 1993. FPEI is a welcome source of external finance, especially since it is not debt-creating, Unctad says.

Global investors have tended to take a long-term view and foreign equity flows have not shown large fluctuations. However, the report admits that FPEI tends to increase market volatility, which is an argument for opening domestic markets gradually.

'Foreign investment' fuelled China boom

By Alexander Nicoll, Asia Editor

China said yesterday that its boom had been fuelled by a record $27bn (£18bn) of foreign investment last year and that it was confident measures to slow the economic growth rate were proving effective.

The investment total made China "the country attracting the largest sum of foreign capital in a single year," said Mr Chen Yuan, deputy governor of the People's Bank of China, the central bank.

He gave no breakdown of the figure, which compared with an inflow of $11bn in 1992, itself more than double the total of 1991.

Mr Chen said steps taken last year, including higher interest rates and curbs on bank lending to finance real estate speculation, had been intended to produce "structural adjustment, not an across-the-board retrenchment."

"We aimed at a 'soft landing.' We think we are getting there," Mr Chen said in a speech delivered by Mr Ma Yuzhen, China's ambassador to Britain, to a London conference organised by Thornton, the fund management group. Mr Chen was detained by meetings in Beijing.

He was unusually candid about the debate in Beijing over the need to slow growth, admitting that "there are still dissenting views on whether we prescribed the right medication, at the right time, with the right dosage."

Business people and high growth regions of China felt the measures were too harsh, while "the IMF people and World Bank people warned of the dangerous and unpleasant consequences of not being firm against inflation or other maladies of the economy," Mr Chen said.

Mr Zhu Rongji, vice-premier in charge of the economy and central bank governor, indicated that moves to restore financial order would be maintained. Problems such as over-investment in fixed assets and rapid money supply growth "had not been basically solved," he said on state television yesterday. "The pressure for inflation could rise at any time."

China is aiming to slow the economy to a 9 per cent growth rate in 1994 from 13 per cent rates in each of 1992 and 1993, and to cut inflation to about 12 per cent from about 17 per cent. Mr Chen said, however, that the slowing measures were only intended as a "stop-gap" while China tackled the "root cause" of its problems, which he described as the slow pace of reform of state enterprises and of the means of macro-economic control.

"Controlling economic growth rates is easy, we have done that before more than once, but we cannot solve the underlying problem and bring economic development on to a rapid, sustainable and healthy course without tackling the root cause," he said.

Under way were reorganisation of the corporate system into limited liability companies, with amalgamations encouraged and unworkable enterprises allowed to go bankrupt. Banking, tax, financial market and currency reforms were also in progress.

Under new tax reforms, enterprise taxes were unified at 33 per cent, personal income tax rates were also unified, and VAT introduced. The treasury in Beijing would receive tariffs, consumption taxes and state enterprise income taxes, while local governments would receive business and local enterprise taxes, personal income taxes and land taxes.

China's advertising industry had a good year in 1993, with spending 40 per cent up on 1992 in an otherwise flat world market, Saatchi & Saatchi's Beijing representative said yesterday, Reuter reports from Hong Kong. Real advertising growth is expected to continue at 40 per cent for China in 1994, though rates are likely to decline.

Japan's move over bidding hailed by US

By Nancy Dunne in Washington

Mr Mickey Kantor, the US trade representative, yesterday hailed Japanese plans to reform its bidding process in its $20bn (£13.4bn) a year public sector construction market as "an historic step forward" and abandoned plans to impose sanctions in the dispute.

"I hope that this positive step sets the stage for concluding meaningful framework agreements prior to the February 11 meeting between President Clinton and Prime Minister Hosokawa," he said.

The US and Japan had agreed at the Tokyo summit to reach agreements, using "quantitative and qualitative indicators" to measure results, in time for the bilateral meeting. However, administration officials have been warning of slow progress.

In a speech this week in Frankfurt, Mr Jeffrey Garten, the commerce department undersecretary, said little progress has been made on crucial issues, such as government procurement in telecommunications, medical equipment, insurance and automotive trade.

"We are not seeking to 'manage' our trade," he said. "It is more accurate to say that we are trying to open the Japanese market by seeking to have it 'un-managed.'"

The construction pact contains agreement to track foreign participation using "indicators" such as the number of overseas contracts granted and the value of the contracts. The two sides will have regular annual meetings to evaluate progress.

In the framework talks, Japanese negotiators have been reluctant to agree to any supposition about imports on the grounds that "expectations" agreed in past semiconductor and automotive parts pacts have been interpreted by the US side as market share commitments.

The "action plan" Tokyo devised gives the US most of what it has demanded during the years of frustration over the inability of US companies to win Japanese government construction contracts.

Mr Kantor said there would be "a lag time" before the contracts won by foreign companies is felt in their home economies. But he saw this as a boost for foreign participation in a $1,000bn infrastructure market planned in Asia.

Bentsen warns China over its MFN status

By Tony Walker in Beijing

Mr Lloyd Bentsen, US Treasury secretary, said yesterday China had not made sufficient progress on human rights to warrant US renewal of its Most Favoured Nation trading status, but he indicated that Washington was nevertheless anxious to forge closer economic ties with Beijing.

Mr Bentsen is the most senior representative of the Clinton administration to visit China. His presence in the Chinese capital is clearly designed to be part of a new US thrust to improve working relations dogged by bickering over human rights and arms disputes.

"It's really time to re-engage China on economic issues. We need to help China reform. We need a forum to address our bilateral concerns," Mr Bentsen told reporters after meeting Prime Minister Li Peng.

Describing the human rights issue as "basic to our relationship," the US official said "there has been progress, but so far it hasn't gone far enough".

President Clinton is obliged by mid-year to rule on whether China has made sufficient improvements in its human rights behaviour to justify MFN renewal. Mr Clinton said last year that China would need to make "significant progress".

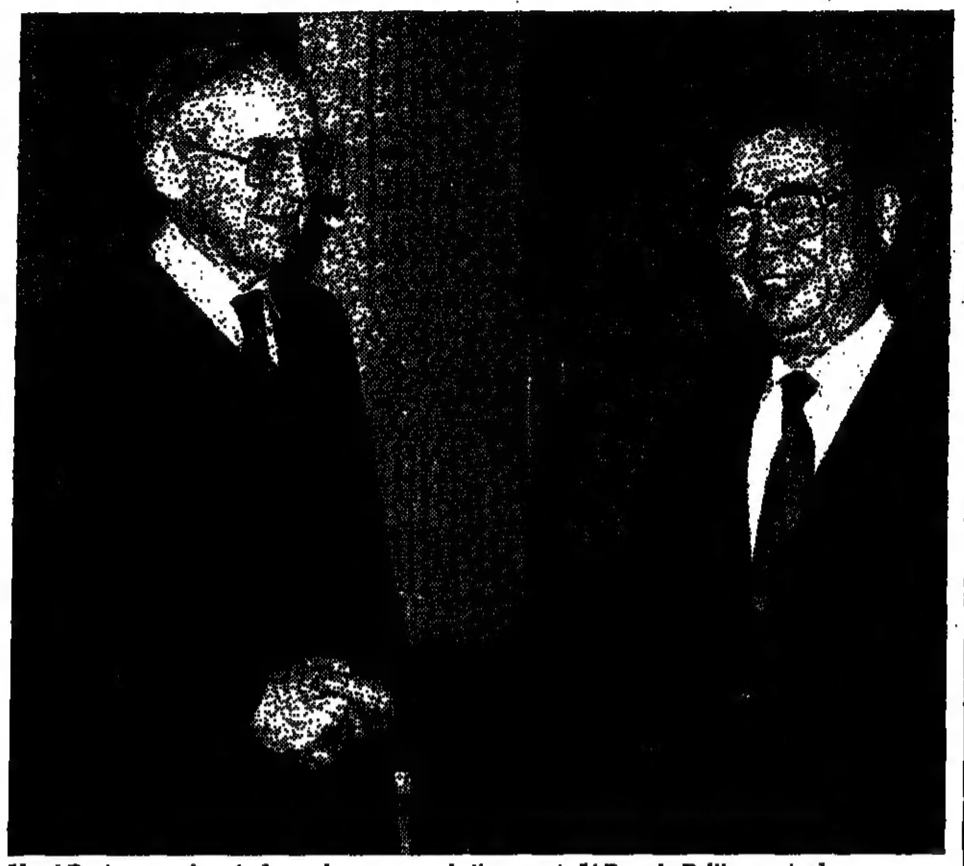
Mr Bentsen's visit to China follows a review of US-China policy and comes after the meeting last November between Mr Clinton and Chinese President Jiang Zemin in Seattle at an Asia Pacific Economic Co-operation (Apec) forum summit.

The Treasury secretary, who will co-chair a bilateral economic forum tomorrow, said that among his objectives in Beijing was to persuade China of the need to continue opening its markets, and also to demonstrate support for economic reforms.

The two countries are reviving a joint economic committee which last met in 1987 to pursue issues of mutual concern. Washington has been pressing the Chinese on questions such as abuse of intellectual property rights, especially the pirating of compact discs.

Mr Bentsen is also likely to express concern about a widening trade gap. Chinese exports to the US last year exceeded imports by $25bn (£16.7bn), prompting protests from Congress leaders. China's trade surplus with the US is exceeded only by Japan's.

Mr Bentsen's visit came just two days after the US and China signed a three-year textile agreement, averting a serious trade dispute. The US threatened to slash Chinese textile imports, but in the end agreed to an effective freeze at present levels.



Lloyd Bentsen, anxious to forge closer economic ties, greets Li Peng in Beijing yesterday AP

Plutonium gets star treatment

By Emiko Terazono in Tokyo

Plutonium may be one of the most toxic substances on earth, but it is safe enough to drink, says the Japanese government, which is promoting plutonium before the launch in April of Monju, the country's first fast breeder reactor.

A cartoon video made last year by Power Reactor and Nuclear Fuel Development (PNC), an affiliate of the Science and Technology Agency, shows Pluto, an atom-shaped cartoon character, informing a boy taking gulps from a jug that drinking water containing plutonium is harmless to the body since it is not easily absorbed by the stomach and intestines.

The government has been trying to reverse the negative image of nuclear power which has been spreading among ordinary Japanese since the wave of international criticism over a shipment of plutonium from France in 1992, and Russia's dumping of nuclear waste in the Sea of Japan last October.

The video, however, intended for a teenage audience, has alarmed environmental groups which claim the explanation is highly misleading.

An official at PNC said although the video explained that plutonium was hazardous to the human body if it was taken into the lungs or absorbed by the bones, "we didn't want people to be too scared of plutonium".

Meanwhile, Japan's nine electricity companies yesterday officially approved the construction of Monju's successor.

The companies expect the construction of the fast breeder reactor, almost three times as powerful as Monju, to start early next century, although plans for financing have yet to be finalised and the site decided on.

The move came as 11 leading US anti-nuclear groups urged the companies to give up the plutonium programme since Japan's use of the material in nuclear reactors would provide justification for other nations to follow suit.

Nigerian central bank probe ordered

Nigeria's military ruler General Sani Abacha yesterday established a panel to investigate the central bank and told it to find out whether the institution was to blame for the country's economic woes.

"It has... become necessary to find out whether the Central Bank of Nigeria (CBN) has been a culprit or a victim in the unfortunate sequences that have culminated in our present economic troubles," Gen Abacha said.

The establishment of the seven-member panel of inquiry led by an economist, Mr Pius Okigbo, comes after the government last week unveiled the 1994 budget which placed greater responsibility on the CBN for the management of Nigeria's scarce foreign exchange.

Many financial analysts doubt whether the central bank has the capacity to implement and police the policies effectively.

ANC calls for health care system shake-up

By Patti Waldmeir in Johannesburg

The African National Congress said yesterday it plans a big shake-up in South Africa's health care system, with the private sector to be "discouraged" in favour of a substantial expansion of the public sector.

ANC officials yesterday published a draft National Health Plan which calls for private sector health care to be brought under the direct control of the state, which may take steps such as capping the salaries of doctors in the private sector and regulating their fees to ensure that "profit is not the major incentive of practitioners". The plan also moots a new national insurance tax.

The aim is to "fundamentally correct the imbalances of the past", with whites and wealthy blacks enjoying first-world standard health care and most blacks receiving sub-standard care. However, any move that would jeopardise the quality of health care available from the private sector could substantially accelerate an already growing trend of white emigration. South African whites have been used to a high standard of health care since 1967 when Dr Christiaan Barnard performed the world's first heart transplant in Cape Town.

The plan will further exacerbate concerns about the ANC's plans for state intervention in the post-apartheid economy, ahead of a big economic policy conference due to be held by the organisation from tomorrow to Sunday.

"We must drastically review how we use our resources," Ms Cheryl Carolus, ANC National Working Committee member in charge of health told reporters in Johannesburg, saying the state was the most efficient provider of health care. "Huge problems have been created by thinking that the market can regulate health care," she said, adding central government had to play a more dynamic role.

She said the ANC was merely following an international health care trend: "There is international recognition of the central responsibility the government has in providing health care."

Right-winger hints at 'looming' violence

By Patti Waldmeir

South Africa's most prominent right-wing leader, Gen Constand Viljoen, yesterday warned that conservative Afrikaners would use violence to bolster their demand for an ethnic homeland, reflecting an apparent shift in right-wing strategy toward the greater use of violence.

Gen Viljoen, who has long tried to moderate the actions of his more radical right-wing colleagues, warned: "sometimes you have to use a little bit of violence to prevent further big violence and clashes. There is a clash looming in our country". He said the right could prevent next April's elections altogether if it decided on a boycott.

Gen Viljoen was speaking as the deadline approached for changes to the new constitution aimed at accommodating the demand for Afrikaner self-determination. All changes are due to be agreed by next Monday. Negotiators from the right-wing Freedom Alliance were meeting the African National Congress and the government to discuss possible changes, but conservative Afrikaner leaders said they expected little from the talks.

The Afrikaner Volksfront, the umbrella group which Gen Viljoen heads, plans to declare unilateral independence from South Africa next Saturday unless its demands are met. It will declare its own "transitional authority" to rival the multi-racial Transitional Executive Council set up in December to oversee the run-up to all-race elections.

ANC leader Nelson Mandela said Gen Viljoen's statements were "very regrettable." Though he sympathised with minority fears, he would never contemplate a separate state for Afrikaners, though the ANC could accept a state where Afrikaners exercise autonomy so long as all people in it had the same citizenship and voting rights.

● The secretary-general of the Commonwealth invited post-apartheid South Africa yesterday to rejoin the association after a break of 33 years, Reuter reports.

Indian tax probe sends shares into fall

By Stefan Wagstyl in New Delhi

Indian share prices fell yesterday after income tax inspectors announced the extension of a long-running probe into the affairs of Mr Harshad Mehta, the stockbroker at the centre of the 1992 securities market scandal.

The Bombay Stock Exchange index fell 125.11 points to 3,825.91 amid reports of panic selling of blocks of shares which investors feared might become subject to the investigation. Stockbrokers said that the market had in any case been ripe for a fall after a 54 per cent rise since early November prompted by large-scale foreign buying.

The income tax inspectors' investigation began in 1992 after Mr Mehta was arrested for his alleged involvement in the Rs42bn (£900m) scandal which rocked the Bombay securities market. Mr Mehta and others were accused of trading illegally in the inter-bank securities market in order to siphon funds into the stock market.

Last October, trading was disrupted when it emerged the tax authorities had frozen dealings in blocks of stock which they said were being held by others on Mr Mehta's behalf.

The authorities then specified blocks of shares in nine leading companies held by 134 individuals and companies. Yesterday they added shares of a further 20 companies held by 608 individuals and companies.

Telecoms chief's death shocks Hong Kong

Hong Kong's business community was shocked yesterday by the announcement that Mr Michael Gale, chief executive of Hongkong Telecom, had died suddenly on Monday evening.

Mr Gale, 53, died in a local hospital to which he had been admitted last week for a back operation, of a heart attack. He is survived by a wife and two children.

Lord Young, executive chairman of Cable & Wireless and chairman of Hongkong Telecom, a subsidiary, said Mr Gale had brought "enormous wisdom and experience" to bear in the performance of his duties.

Mrs Anson Chan, acting governor of Hong Kong, described Mr Gale as one of the colony's most dynamic and respected citizens.

Hongkong Telecom had planned to announce yesterday that Mr Gale was to be made the company's deputy chairman. He was to relinquish the chief executive's role to devote more time to the development of Cable & Wireless' business interests in Asia.

The company went ahead, however, with the planned announcement that Mr Linus Cheung had been appointed chief executive. Mr Cheung will take up his duties at the beginning of May.

He is currently deputy managing director of Cathay Pacific Airways responsible for the airline's worldwide commercial activities and the most senior Chinese executive at the airline. His job will be taken by Mr Simon Heale.

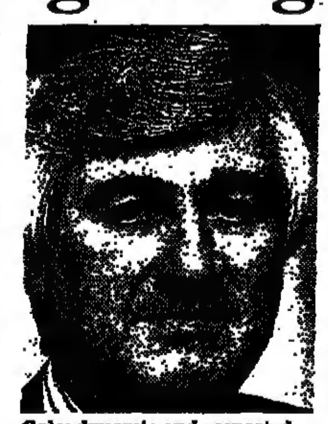
Mr Cheung's appointment was seen as serving a number of interests. With Hong Kong returning to Chinese sovereignty in 1997 it was seen as politic to have a Chinese executive at the helm.

He is seen as an effective ambassador for Hongkong Telecom both in the colony and, importantly, in China, where the company has ambitious plans for expansion.

Hongkong Telecom has long held that if China is to meet its ambitious plans for telecommunications development, Beijing will have to permit foreign investment in the operation of regional telecommunications networks. It is working closely with telecommunications authorities in both Guangdong and Fujian provinces.

Simon Holberton

See People column



Gale: dynamic and respected

Algeria frees fundamentalists

Algeria has ordered the immediate release of Moslem fundamentalists held in two Saharan desert prison camps as well as all those under house arrest, the interior ministry said yesterday, Reuter reports from Algiers.

The ministry said the action was taken to help the success of a national conference on Algeria's political future next week. "This decision falls within the beginning of conciliatory measures to help the national conference succeed," the statement said.

Earlier this month, the head of an Algerian human rights organisation said that there were about 780 fundamentalists held in the two camps of Ain M'guel and Oued Namous.

Dawn raids in Cairo

More than 1,000 police commandos swept through Moslem militant hideouts in southern Cairo yesterday in the biggest operation this year, Reuter reports from Cairo.

One policeman and a militant were killed and two policemen and one militant wounded in the dawn raids, the interior ministry said in a statement. At least 60 suspected militants were arrested.

The government sent 15 to a military court on charges of belonging to the illegal group which tried to kill Prime Minister Atef Sedki in a bomb attack in November.

Laos starts to wake up to its energetic neighbours

Victor Mallet on how south-east Asia's poorest country is being caught up in the region's growth

A casual glance at the national accounts of Laos might give the impression the country is in sub-Saharan Africa rather than south-east Asia.

Laos imports twice as much as it exports; it is dependent on the assistance of the International Monetary Fund and other foreign donors; and it is one of the poorest countries in the world, with an annual per capita gross domestic product of about $230 (£154). Total GDP is $1bn a year, less than the turnover of a large corporation in neighbouring Thailand.

Laos's 4.4m inhabitants are known more for their charm than their industriousness. Lao rice farmers have a reputation in this dynamic region for lying down, closing their eyes and listening to their crops growing in fertile paddy fields.

In towns such as Luang Prabang, Morris Minors and 40-year-old Mercedes Benzes share the streets with more recent arrivals from Japan. In the capital, Vientiane, stallholders in the market are trying to sell old-fashioned Soviet cameras and hi-fi systems as well as Japanese refrigerators.

Laos, however, is changing fast. Even if it wanted to, this once forgotten corner of Indo-china could hardly escape the effects of the frenzied economic growth across its borders in China, Thailand and Vietnam.

Landlocked Laos is already a commercial crossroads of sorts. It levies a $1,300 transit fee for new luxury cars – the Toyota Lexus is the latest favourite – on their way to the tycoons of China's Yunnan province from ports in the Gulf of Thailand.

In the past such trade was hindered by the difficulty of crossing the Mekong river, the appalling state of Laos's roads, and the uneasy relationship between Thailand and the communist government of the Lao People's Revolutionary party.

These days Thai-Lao relations are much improved. Australia has built the first bridge across the lower Mekong near Vientiane – a $30m structure due to open in April – and other donors are financing construction of the road to China.

Even the building work is a novelty in a country where 85 per cent of the population depend on subsistence agriculture and have to forage for food in the forests if their crops are damaged by drought.

Abandoned by the disintegrating Soviet Union in the 1980s, Laos's socialist rulers (they have forsaken the communist label and dropped the hammer and sickle from the flag) have encouraged foreign investment as well as foreign aid. The "New Economic Mechanism" is the Lao code phrase for capitalism.

As in Laos's long-time ally Vietnam, the ruling party is in an ideological vacuum. Officially, the government of Mr Khamtay Siphandon says that the one-party system will stay for ever. State radio blares out the officially approved news from street corners.

The increasingly prosperous inhabitants of Vientiane, however, watch Thai television broadcasts (Thai and Lao languages are similar) or programmes beamed by satellite from Star TV in Hong Kong. They want to learn English and they go to discotheques.

The government is concerned about the social, environmental and political dangers of foreign – especially Thai – influence and economic liberalisation. It has therefore moved cautiously, but it has moved nonetheless.

Moribund state companies are being privatised or closed. Sensing that the inaccessibility of Laos and its small population make it a relatively unattractive prospect for investors, the government has gone further than its neighbours and allowed 100 per cent foreign ownership of companies.

Clothing produced in more than 50 new factories has overtaken hydro-electricity as the country's main export, although there are plans for foreign investors to build hundreds of millions of dollars worth of new dams, increase electricity output 10-fold and sell 1,500MW to Thailand by the end of the decade.

Timber processing is also thriving. Hunt Oil and Enterprise Oil are searching for oil and gas. Newmont of the US and CRA Exploration of Australia are looking for gold. Shinawatra of Thailand has won a $63m contract to install telephone networks and a satellite earth station.

Tourism is increasing. Some former refugees, Lao-Americans and Lao-Australians, are returning as investors.

Foreign investment, much of it from other Asian countries such as Taiwan, Singapore and Thailand, is still pouring in at a rate of some $150m a year, and the economy is growing rapidly: 7 per cent in 1992 and about the same again in 1993. In these two important respects, the statistics show that Laos is a poor country in south-east Asia rather than a poor country in Africa.

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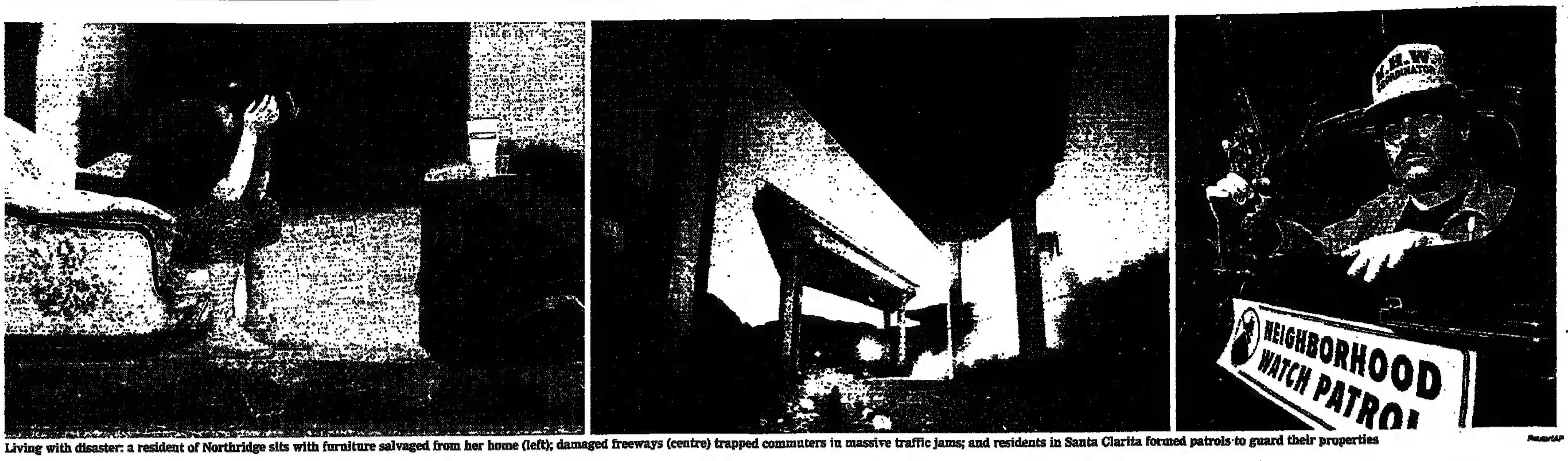


Living with disaster: a resident of Northridge sits with furniture salvaged from her home (left); damaged freeways (centre) trapped commuters in massive traffic jams; and residents in Santa Clarita formed patrols to guard their properties

Reuter/AP

Quake turns Californian dream into a nightmare

By Louise Kehoe in Los Angeles

The "California dream" has turned into a nightmare for many residents of earthquake-stricken Los Angeles.

Monday's pre-dawn quake and the hundreds of aftershocks that continue to rock the region have destroyed more than homes and structures. For some, they have wiped out hope.

Some 20,000 people in and around the city are estimated to have slept out of doors on Tuesday night. Scores of dazed, frightened residents of Northridge, at the epicentre of the quake, were yesterday fleeing the area after spending two nights without electricity and water.

Their destination did not seem to matter. "I've just got to get out of here," said a man hauling a mattress on to the back of a pick-up truck. Furniture and possessions were strewn across the pavement in front of the building where he and his family lived.

The death rose to 42 after two more victims were found, crushed to death in their bed in a home in Santa Monica. Some 2,900 are reported to have been injured.

Flat dwellers seem to have taken the brunt of the earthquake's deadly toll. The Meadows Apartments in Northridge, where 16 people were crushed to death, has become a grizzly attraction.

Yet dozens of similar buildings in surrounding areas were also seriously damaged. Tilted at precarious angles, broken open by the quake's jolt, they threaten to collapse with the next strong aftershock.

Incongruous signs – Now Renting and For Lease – still fluttered outside, even as residents struggled to gather their belongings into cars, trailers and rented vans. Removal vans were everywhere, double parked on residential streets, blocking traffic.

Gas leaks remained a fear. Several residential streets in Northridge were cordoned off by police on Tuesday. Evacuated residents left signs – "gas leak" – and personal messages telling where they had gone. Dense smoke blackened the sky a few miles east, providing pungent evidence of the danger.

Whole streets of shops were boarded up with plywood. "Open soon. Big sale," was scrawled on one.

A hardware store did a brisk trade, evidence that some, at least, are determined to put the pieces back together themselves. The half-demolished Pacific Contractors School, for builders, offered little encouragement to those who sought professional assistance.

At the Northridge Fashion Mall, a large shopping centre, people gathered to gaze at the collapsed multi-storey car park and a Bullocks department store that appeared to be a write-off. National Guardsmen were stationed outside, not, they said, to prevent looting but to ensure nobody went too close to the damaged buildings.

Santa Monica has been hard hit as has Simi Valley, the site of the notorious first trial of the policemen who beat black motorist Rodney King. The officers' acquittal sparked riots in Los Angeles.

In Studio City, north of Hollywood, homes have been destroyed and hundreds of businesses wrecked.

Elsewhere, garden walls have collapsed, leaving rubble across the street. It is a small inconvenience, perhaps, but one that robs people of privacy as they camp out in their gardens.

Robbed of control over their lives, people seem to take out their frustrations on the streets. At traffic lights, black-out by power cuts, drivers played a deadly game of "chicken", with predictable results.

Los Angeles commuters were trapped for hours in massive traffic jams yesterday morning as the ravaged city struggled to return to some semblance of normality. For most this was the first day back at work since the earthquake.

For residents of the Santa Clarita Valley, to the north of Los Angeles, a one-hour commute turned into a three or even four-hour nightmare. With the main freeway linking the suburban region to the city closed by earthquake damage, they were forced on to an alternative route, only to have that partially closed by rock slides following another strong aftershock.

Traffic started to back up as early as 4.30am, according to the California Highway Patrol (CHP), and by 8.30am many who had started their journeys in the dark were still on the road.

Although seven highways have been closed by earthquake damage, most freeway overpasses showed no signs of structural damage. But all would have to be inspected, officials said, raising the prospect of further problems.

The CHP urged travellers to avoid visiting southern California. "If you don't know your way around, you will find yourself in trouble. Even for people who do know the area, driving is a trying experience," an official said.

Damage to the region's water supply systems was one of the most worrying problems, officials said. Close to 100,000 homes and businesses are without running water. The Department of Water and Power said three aqueducts had been ruptured and two pumping plants damaged. There are also many broken water mains.

Aspin to stay as defence hunt goes on

By Jurek Martin in Washington

Mr Les Aspin, due to step down today as secretary of defence, has agreed to stay on until the Clinton administration names a new successor, following Mr Bobby Ray Inman's abrupt withdrawal as nominee to the Pentagon on Tuesday.

As President Bill Clinton left a Washington in the grip of record cold to inspect the Los Angeles earthquake disaster, there was no word on when a new candidate would be named, or even if the administration had compiled a prospective short list.

The search for a new nominee, led by Mr Mack McLarty, White House chief of staff, only began last weekend, when the president, still in Europe, was advised of Mr Inman's intention to withdraw.

The retired admiral said that he had recommended a successor but, given the embarrassment he has caused, it is unlikely to be given any weight. In effect Mr Clinton is back to where he was two months ago, when it was first decided to seek Mr Aspin's resignation.

There is a list of people whose names are invariably mentioned for senior defence positions and it appears to remain as it was, with the subtraction of Mr Inman's name.

Generally reckoned to be on it are Mr James Woolsey, currently head of the CIA; Mr William Perry, now deputy secretary of defence; Mr John Deutch, Pentagon under-secretary for acquisitions; Mr Norman Augustine, head of Martin Marietta, the leading defence contractor; Senator Sam Nunn of Georgia, chairman of the Senate armed service committee; and congressman Dave McCurdy, the Democrat from Oklahoma.

Also mentioned are retired General Colin Powell, former head of the joint chiefs of staff, and retired Admiral William Crowe, due to be the next ambassador in London. Both would require waivers from the law preventing former military men from serving in the Pentagon before a number of years have elapsed.

Each may have reasons not to accept any offer. Senator Nunn, for example, seems far too wedded to his power base on Capitol Hill to want to follow Mr Aspin's path to the Pentagon. General Powell's politics are a closely guarded secret, as are any political ambitions he may have.

See Feature

The sudden emergence of an old rival puts the presidential favourite under pressure

Mexican uprising dents Colosio's image

By Damian Fraser in Mexico City

Three weeks ago Mr Luis Donaldo Colosio, the presidential candidate of Mexico's ruling Institutional Revolutionary Party, was preparing for an electoral campaign which many assumed would be little more than a formality. Like all his party's previous candidates, he was overwhelming favourite to become Mexico's next head of state.

Today such complacency has been dented. The New Year's uprising in the impoverished southern state of Chiapas, in which more than 100 people have died, and sudden re-emergence of Mr Manuel Camacho, his main rival for the party nomination, have fuelled old doubts about Mr Colosio's credentials for the job, and raised new ones about unity in the PRI.

The uprising in Chiapas, although confined to a few thousand guerrillas, has given fresh weight to criticisms of the economic and political model followed by President Carlos Salinas. As the hand-picked successor to Mr Salinas, and self-styled candidate of continuity, Mr Colosio and his programme have been wounded by such attacks.

While the Chiapas uprising has focused attention on poverty and under-development in Mexico, the main beneficiary may not be the leftist opposition, headed by Mr Cuauhtémoc Cárdenas, says Mr Federico Estevez, a professor at the Itam university. The uprising, he says, will make voters more worried about personal safety and political stability, and thus wary of supporting a party that calls for a radical overhaul of the existing political establishment.

Instead Mr Camacho may emerge as the main winner. After his appointment to the high-profile job of restoring peace to Chiapas, Mexico's newspaper columnists immediately speculated that Mr Camacho would use his position to challenge for the presidency, either from inside or outside the ruling party.

The speculation was fuelled in part by the announcement that Mr Camacho had asked not to receive a salary in his new role and would not form part of the government, freeing him, should he wish, to become a candidate.

Colosio: problems

Mr Camacho was mayor of Mexico City and a possible presidential candidate until November, when Mr Colosio was unveiled as the PRI presidential candidate. In an unusually frank resignation speech, Mr Camacho promised to continue in politics and fight for advances in democracy. He pledged loyalty to to the government of President Salinas, but not to the PRI.

The possibility of a Camacho candidacy is still extremely remote. He is not popular in the PRI, partly because of his desire to introduce more democratic reforms, nor with the economist technocrats who have risen to power in the past decade and suspect him of populist tendencies. He would stand little if any chance of winning as an independent candidate, given the PRI's huge advantages in organisation and money over other parties.

"Mr Camacho is ambitious but not mad," says Mr Raymundo Riva Palacio, an editor at El Financiero newspaper who dismisses speculation of a candidacy this year.

There is little doubt that Mr Colosio has been damaged by his old rival's new prominence. The appointment of the ambitious Mr Camacho has made Mr Colosio look weak. Mr Salinas announced the appointment on the very day Mr Colosio's election campaign started, suggesting to some a calculated snub. Mr Colosio has decided to respond to the threat of Mr Camacho by saying next to nothing – exposing him to still further criticism of being weak and ineffectual. Mr Francisco Cárdenas Cruz, the influential columnist for El Universal, on Tuesday described his campaign as all but invisible.

Mr Colosio's supporters say that there is plenty of time before the August elections to recover from the poor start, and that any attempt to benefit from the crisis in Chiapas would backfire. Such views reinforce long-held criticism that Mr Colosio is too passive and lacks independent ideas to make a good president.

Mr Colosio's platform will be modified by events in Chiapas. The candidate will focus more on anti-poverty and regional development aspects of his programme than hitherto, supporters say. He is also likely to emphasise further his promise of free and fair elections, in answer to those who argue that the Chiapas uprising occurred as a result of a lack of democracy in the country.

NEWS IN BRIEF

CBS wins winter Olympics rights

By George Graham in Washington

CBS may have lost its broadcasting rights for American football, but it has has reasserted its claims as a top sports television network by winning the US television rights for the 1998 winter Olympics.

The network was due to announce yesterday it had secured the rights for the winter games, to be held in Nagano, Japan, with a record bid of $375m. CBS televised the Albertville games in 1992 and will also broadcast next month's winter Olympics in Lillehammer, for which it paid around $295m.

The Lillehammer games could draw enormous attention, as the women's figure skating contest, already one of the most popular television events, is now rapidly turning into a made-for-TV melodrama after the attack on Ms Nancy Kerrigan, one of the top US skaters.

CBS was stunned last month when it lost the rights to broadcast games from the National Football Conference, the top American football league, to Mr Rupert Murdoch's Fox Network.

Grip of Siberian Express

A weather front meteorologists were calling the "Siberian Express" gripped the upper Midwest for the sixth consecutive day yesterday, with extreme cold closing businesses and schools and snarling airline traffic, reports Laurie Morse from Chicago. At Chicago's O'Hare airport, the busiest in the US, many flights have been cancelled since Monday. Snow was still hampering attempts to normalise services.

The spell is breaking records. Temperatures in Chicago have not reached above zero for a week, with the mercury dipping to 21 degrees below zero yesterday. In northern regions of the midwest, temperatures fell as low as 60 degrees below zero.

US trade gap narrows

Tumbling oil prices helped narrow the US trade gap in November by 6.7 per cent, to $10.17bn, the Commerce Department said yesterday, Reuter reports from Washington. In the first 11 months of last year, the trade gap stood at an annualised $118.7bn, its highest level since $152.1bn, in 1987, the department said.

The merchandise trade deficit for October was $10.9bn, revised from a previously reported $10.46bn. The trade deficit with Japan declined in November to $5.72bn before seasonal adjustment, after swelling to $6.09bn in October.

The department said imports declined by 1.5 per cent in November to $50.24bn, due largely to a sharp $115.6m drop in the cost of oil imports to $3.09bn. Exports declined by 0.1 per cent to $40.07bn, reflecting decreases in industrial supplies and materials.

Bar on Banco Latino

A Venezuelan criminal court judge has banned directors of the failed Banco Latino from leaving the country, according to reports yesterday. Banco Latino, Venezuela's second largest bank, was taken over by the government last Sunday, reports Joseph Mann from Caracas.

Miami crime curfew

Dade County commissioners have voted to adopt a curfew aimed at reducing crime by requiring teenagers to get off the streets after 11pm, Reuter reports from Miami. The controversial measure, expected to be challenged in court by civil rights activists, will punish repeat violators by recalling driver's licences or fining parents up to $500.

Brazilian reforms debate resumes

By Angus Foster in São Paulo

Brazil's stalled constitutional review finally resumed yesterday and the first proposed amendments, including changes to the presidential term, could be voted on today.

The review, which had been on hold since October because of a corruption scandal in Congress, is likely to make significant changes to the country's creaking political system. But amendments to modernise the economy are more controversial and face considerable opposition.

Mr Nelson Jobim, the review's co-ordinator, has prepared the first tranche of proposals from an original list of 18,000 suggestions. His proposals include a cut in the presidential term from five to four years and allowing holders of executive positions to seek re-election while still in office.

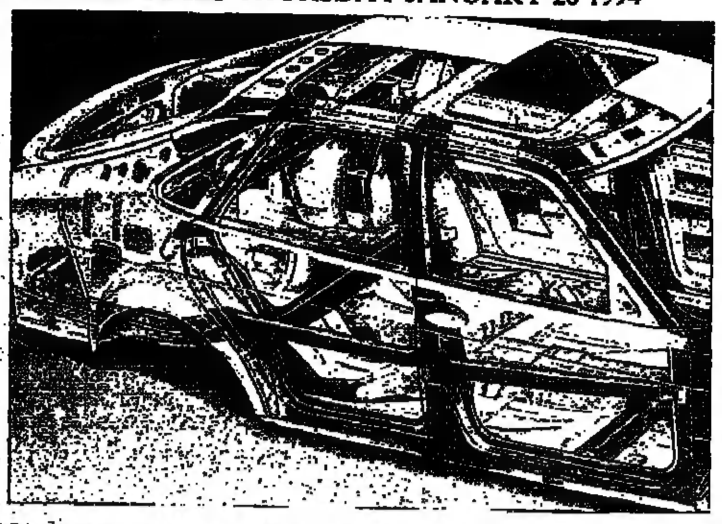
At present, leaders have to resign six months before elections while presidents and governors cannot hold the same office in consecutive periods.

This system, designed to reduce the advantages of incumbency, has usually weakened the last year of an elected official's term. "They only govern for two years, the rest of the time they are learning to govern or politicking for the next elections," according to Mr Jobim.

Other proposed changes include an end to Brazil's compulsory voting laws and stricter rules to prevent congressmen switching party affiliation mid-term.

Congressional immunity, which is extremely broad and has allowed some congressmen to escape criminal charges, would in future only extend to guaranteeing freedom of speech and association. Analysts agree that all these changes would make small but important changes to the way Brazil is governed.

- Brazil's monthly inflation rate edged through the psychologically important 40 per cent mark in the period between December 16 and January 15, according to one of the main organisations which track price rises.



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The new Saab 900's door handle is intentionally-recessed to reduce wind-noise. With your palm up or down it offers a firm grip. Well appreciated in bad weather or emergencies.

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inertia seat belts and individual head restraints*. The lower seatframe also acts as a cross-member reinforcing side-protection (the rear seat back-rest can be optionally equipped with two foldable child seats).

It was rammed in the side at 54 kph. All doors are packed with shock-absorbent foam. The side-protection-system deforms defensively while absorbing collision force. Occupants are housed in a reinforced steel safety cage that deflects high-speed collision forces. Result? A battered new 900 with safety cage intact. Passengers would have been shaken, but *alive*. For 25 years, our safety engineering

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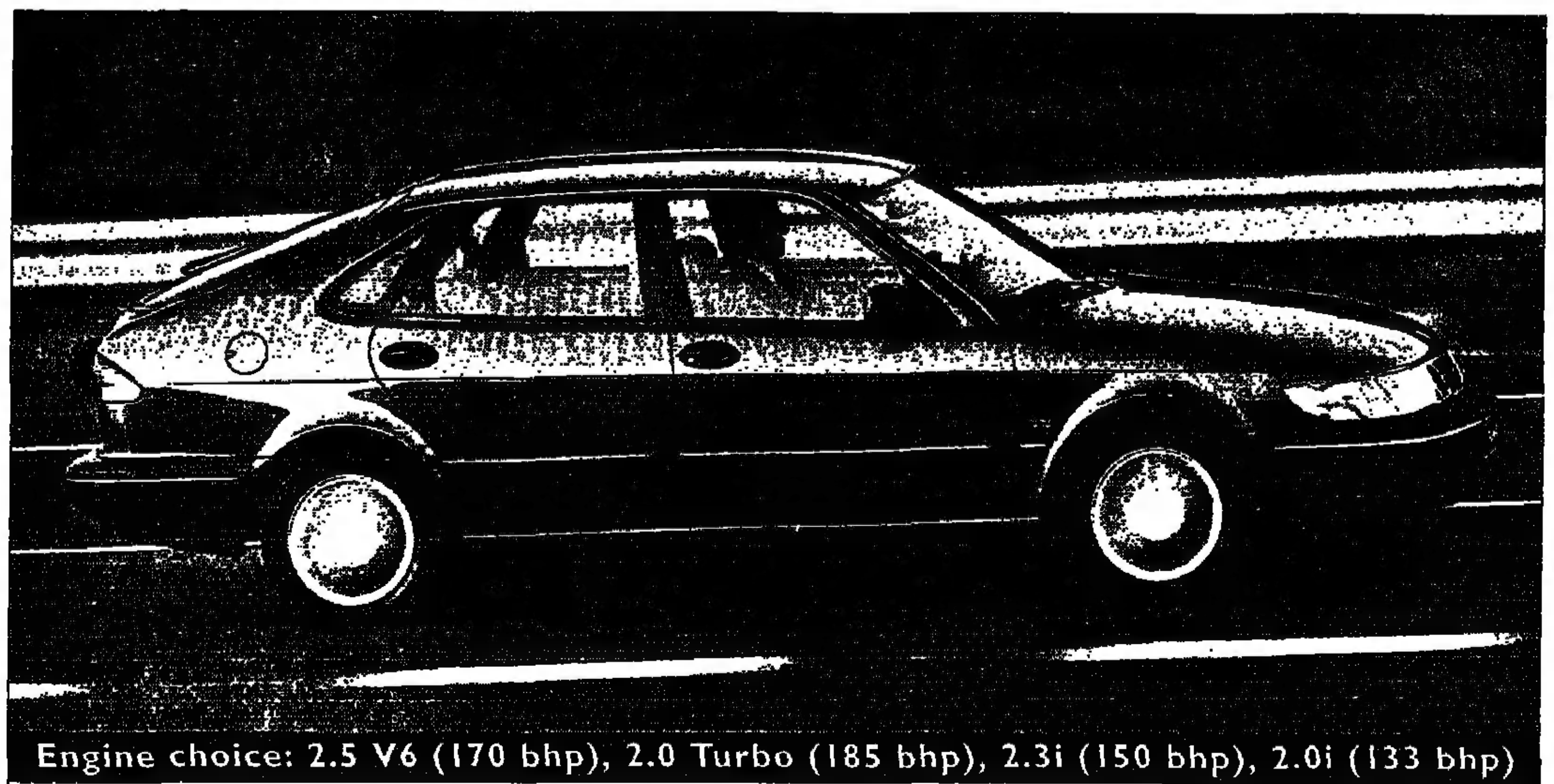
Specifications and standard equipment may vary by market. Consult your nearest Saab retailer.



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Customs warns Eurotunnel on security checks

By Jimmy Burns

British customs officials have warned Eurotunnel that attempts to police the Channel tunnel once it opens will be undermined by the company's rules on obtaining information on passengers.

According to a senior official, there are concerns that when the tunnel opens in May, customs will not have the information it needs, although passengers will be subject to standard passport checks and customs officials will travel on trains.

"From a purely customs point of view, it's going to mean more drugs getting through. From a security angle, it could mean that some terrorists will be travelling and no one will pick them up," he said.

Customs views the threat as so serious that it has been considering asking the government to put pressure on Eurotunnel, the tunnel operator, to change its practices.

However, the company said last night: "We never intended to give full passenger details. We are a railway not a ferry company. It's a turn up and go system. We think the controls we will have will be sufficient."

Customs officials believe that effective policing of Channel crossings is dependent on being given full information on vehicle registrations, passengers and freight.

However, the operational system which Eurotunnel plans will limit the information it can give to customs to advance reservations only, which it is estimated will account for about only 30 per cent of those actually using the trains on any particular day.

Eurotunnel's operations, unlike the ferry companies and airlines, are excluded from the UK's Carrier Liability Act under which companies are under obligation to provide the fullest information on passengers and cargo.

What are described as "serious" behind-the-scenes negotiations aimed at preventing a row over the information issue have included high-level meetings between senior customs officials and Eurotunnel executives.

A senior customs official said: "If we are not given full information as *to who is travelling, we* can't select individuals for target searching based on intelligence. The alternative is to search everyone. This, however, is impractical. So effectively the control element is going to be reduced substantially."

Eurotunnel *last night defended its* security record.

"Our security system is in place and is a vigorous as ever. We have deliberately not changed our control procedures and TML security people are still in place, the company said."

Violence fears lead to soccer cancellation

German soccer officials yesterday cancelled a friendly match against England which was scheduled to be played in Hamburg on Adolf Hitler's birthday because of the possibility of violence between neo-Nazis and left-wing groups.

April 20 marks the 105th anniversary of the birth of the Nazi dictator.

After a meeting in Hamburg that also included local and federal officials, Mr Wolfgang Niersbach, *a spokesman for* the German soccer federation (DFB), said the game had been called off because of the Hamburg city government's fears of disturbances.

Mr Werner Hackmann, the Hamburg official in charge of internal security, had issued a "very urgent recommendation" against holding the game in the northern port city on Hitler's birthday.

He added: "We regret such a decision but we don't want to give right-wing extremists a forum."

There was no immediate word on when and where the match would be played, although German officials hope the fixture will be able to take place sometime this spring, since it is an important part of the German team's build-up to their defence of the World Cup in the US this summer.

Mr David Bloomfield, a spokesman for the English Football Association, said the decision to cancel the match was made by the City of Hamburg for security reasons.

No decision had yet been taken on whether the match would still be played and if so where and when it would take place, he said.

The FA would be having talks with the DFB at this weekend's European Championships draw in Manchester.

Mr Bloomfield said, however, that it would be difficult to move the match to a different date: "April 20 is an international date. With the crowded fixture list it is not easy to move dates around."

The next match for currently managerless England is against European Champions Denmark at Wembley on March 9.

Italian entrepreneur plans Gatwick airline

By Paul Betts, Aerospace Correspondent

BAA, the airports operator, and British Aerospace are backing a proposal by an Italian airline entrepreneur to start up a European scheduled airline based at London's Gatwick airport.

The new airline, Debonair, which plans to operate up to seven BAe 146 regional jets from Gatwick to several European destinations including Paris, Amsterdam, Munich, Berlin, Rome, Milan, Madrid, and Barcelona, is being set up by Mr Franco Mancassola.

Mr Mancassola is a former senior executive of Continental *Airlines and World Airways of* the US and has 30 years' experience in the international airline industry.

Mr Mancassola said yesterday that he had already raised £6.5m of the £13m equity finance for his new airline and planned to launch Gatwick scheduled services in the autumn.

BAA supports the venture as it has the potential to fill the gap left at Gatwick by the collapse of Air Europe and the demise of Dan-Air, which has been absorbed by British Airways.

Mr Allan Munds, Gatwick airport's managing director, said passenger traffic on European scheduled routes from Gatwick had dropped from about 5.5m to 3.5m during the past three years.

With BA dominating short-haul European scheduled airline services from Gatwick, Mr Munds said many long-haul airlines using the airport were keen to see a new airline offering European services from Gatwick.

The UK government's liberalisation of London air traffic rules has encouraged many international airlines to switch services from Gatwick to Heathrow, which has become overcrowded. Both BAA and the international carriers using Gatwick see a new entrant as creating greater competition and choice at Gatwick.

The new airline plans to start services in September using four BAe 146 jets leased from British Aerospace's aircraft fleet asset management organisation. Mr Mancassola plans to increase the fleet to seven BAe 146s by the summer 1995.

Mr Robin Southwell, of BAe's asset management organisation, said the UK manufacturer was backing the new venture and proposing to lease the first four 146 aircraft for a total of $500,000 a month.

Apart from daily scheduled services to European business cities, the new airline also plans weekend services to leisure centres including Nice and Venice.

Under the European Union's new airline liberalisation regime, any EU citizen can now start up an airline in any member state as long as it meets safety, management and financial fitness requirements.

Debonair Airway's chairman Franco Mancassola said yesterday that he had already raised £6.5m of the £13m needed for his airline

UK's third BCCI trial opens

By John Mason, Law Courts Correspondent

The former property entrepreneur, Mr Nazmudin Virani, helped the Bank of Credit and Commerce International carry out its massive international fraud by signing bogus documents enabling the bank to overstate its profits by $30m (£20m), a jury heard at the Old Bailey in London yesterday.

The assistance given by Mr Virani, the former head of Control Securities, the property and leisure group, enabled BCCI to deceive the Bank of England into renewing its banking licence. It could therefore continue taking deposits from the public long after it was insolvent, Mr Anthony Hacking QC told the court.

Mr Hacking was opening the third prosecution brought by the UK Serious Fraud Office over the collapse of BCCI. Mr Virani denies one count of conspiring to defraud BCCI depositors, 11 counts of furnishing false information to Price Waterhouse, the bank's auditors, one count of theft and one of false accounting.

Mr Virani's co-conspirator in the fraud was Mr Mohammed Haque, the former head of BCCI's property division in the UK, Mr Hacking said. After the collapse of the bank in July 1991, Mr Haque fled to Pakistan from where he could not be extradited to the UK.

Mr Hacking said that Mr Virani was the largest customer of BCCI's property division and he and Mr Haque developed a "you scratch my back and I'll scratch yours" relationship. Together they embarked on a fraud that benefited both BCCI and Mr Virani's private property empire, Mr Hacking said.

As BCCI's financial troubles increased in the mid-1980s, Mr Virani signed a series of bogus documents to help "plug the gaps" in the bank's accounts and hide the truth about its financial position, Mr Hacking said.

The trial, which is expected to last about three months, continues today.

British Aerospace announces 500 missile job cuts

By David White, Defence Correspondent

British Aerospace yesterday unveiled plans for further job cuts involving about 500 staff in its missile division, more than a tenth of its remaining workforce in the sector.

The cuts, likely to involve compulsory redundancies, follow a reduction of 830 jobs at three civil aircraft plants announced last week.

The company's Dynamics guided-weapons division, which is due to be merged with the missile-making activities of France's Matra group, will be reduced to 4,040 employees, less than a quarter of the level at the end of the 1980s.

BAe blamed deferment or cancellation of a number of UK and overseas orders.

The main reduction affects 330 jobs at its main missile manufacturing operation at Lostock, near Bolton – about a quarter of the factory's workforce. In addition it plans to shed 160 jobs at Stevenage in Hertfordshire and 20 at Bristol.

The company said the cuts bore no relation to the merger talks with Matra. The talks, due to be completed by the end of last year, have taken longer than expected, but BAe said it was confident an agreement would reached in the next few months.

Further reductions were necessary, it said, despite a recent £100m UK order for additional Seawolf naval missiles. It faced a gap before production of the missiles started in late 1995. At the same time, production of the Alarm anti-radar weapon, used for the first time in the Gulf war three years ago, was coming to an end.

However, it said it still had strong medium-term prospects, notably with the new Advanced Short-Range Air-to-Air Missile (Asraam), destined to equip the RAF's Eurofighter jets.

In contrast to the trend of cuts in the defence industry, the Southampton warship builder Vosper Thornycroft announced yesterday it was recruiting 60 employees, mainly steelworkers. The move reflects the build-up of construction work on vessels for Oman and Qatar.

Ferry operator insists on wage freeze

By Robert Taylor, Labour Correspondent

P&O European Ferries has threatened to dismiss more than 1,000 of its employees if they refuse to accept new conditions of employment. The company has also threated to sack them if they strike against the proposals.

"We don't want a confrontation but a negotiated settlement", said Mr Geoff Christian, the company's fleet director.

Final negotiations are due to take place tomorrow between unions covering crews and shore staff at Felixstowe in Suffolk, Larne in Northern Ireland and Cairnryan in Scotland over company plans to cut wage costs from £10m to £7.5m a year.

Members of the RMT maritime union at Felixstowe, Larne and Cairnryan voted last week by 319 to 36 to back industrial action and reject the company's proposals.

The company warned yesterday that it had gone as far it could in making "considerable concessions" to changes in working practices it presented to the unions last September.

The company had agreed to scale back its proposed job cuts of 240 by half to meet union anxieties.

Talks are continuing between the two sides at P&O's Portsmouth operations. Last week maritime officers in Dover accepted the company's terms – the rest of the workforce is non-union.

Mr Tony Santamera, the RMT's national officer, said yesterday members were "extremely angry" at the company's attitude. He said management had said those refusing to work under the new conditions would be fired.

P&O has insisted on a wage freeze for most of its workers with a 25 per cent cut in salary for more than a hundred catering staff.

Britain in brief

Single market drug fears 'disproved'

Fears that the first year of the single market would provide *opportunities for drugs* smuggling have been disproved, Sir John Cope, paymaster general said yesterday.

Senior customs officers announced record seizures last year of cannabis, and synthetic drugs *such as* 'ecstasy' and amphetamines.

Cannabis seizures rose 19 per cent in 1992-93 to a record 53 tonnes, with a street value of £176m. Synthetic drug seizures rose 215 per cent to 1,097 kg with a street value of £133m. Seizures of heroin increased by 25 per cent to 562 kg (£98m).

The number of people arrested in the UK as a result of international drug operations rose 29 per cent to 3,302, but cocaine seizures fell 33 per cent from the record 2,250 kg in 1992 to 748 kg.

Mr Douglas Tweddle, chief customs investigating officer, said intelligence predictions that South American barons would target the UK and western Europe were becoming a reality.

The Caribbean and West Africa were becoming important suppliers of cocaine, while the overland Balkan route was still a favourite with heroin smugglers, Mr Tweddle said.

Howard to review legal proposals

The British government was yesterday preparing to water down plans to reform the police and courts in the face of growing opposition in the House of Lords – the non-elected upper legislative chamber – to key aspects of its legislative programme.

Mr Michael Howard, home secretary, signalled the climbdown after Lord Whitelaw, a former Conservative home secretary, attacked the police and magistrates courts bill for the second time in two days.

Mr Howard, who defended the bill after it was mauled by Tory critics in the Lords on Tuesday, was "prepared to listen to detailed suggestions which might improve upon the form of legislation".

Ulster tourist expansion hopes

A successful peace initiative in Northern Ireland would prompt a 40 per cent rise in tourist numbers to 1.77m a year within three to five years and create "many thousands of new jobs", according to the Northern Ireland Tourist Board.

Mr Hugh O'Neil, its chairman, said yesterday that tourist numbers to Northern Ireland rose in 1993 for the fifth consecutive year. Final figures for last year have still to be compiled, but tourist enquiries and hotel occupancy rates showed increases over 1992 for the first half, with enquiries up 70 per cent.

The NITB has recently been expanding its presence in Europe, North America and Australasia.

Investment in the tourist industry in the province is estimated at some £200m over the past five years, while some 1.25m visitors came to the province in 1992.

Renault in accident plan

Renault UK is launching a new weapon in the fierce UK new car sales war – accident management on every new car sold.

It has formed a venture with Accident Management Company, part of a northern-based fleet management group, to take over the administration of the entire aftermath of an accident, from contact with insurers to overseeing repairs, at no cost to the motorist.

The scheme, available for fleet and private buyers, already covers 31,000 Renault vehicles in the UK and is expected to be extended to more than 130,000 by the end of this year.

Property industry raises £5.7bn

The UK commercial property industry raised £5.74bn in loans, bonds and rights issues in 1993, the largest total since 1989 and an 88 per cent increase on the previous year.

The statistics, which were compiled by chartered surveyors Savills, reflect a change in perception about the prospects for UK commercial property. Expectations about the performance of property increased sharply as a result of the improved prospects for the economy and the decline in interest rates and bond yields.

The *total raised included* £2.65bn from loans, £710m from bonds and £2.39bn from rights issues, compared with £2.77bn from loans and £281m from bonds in 1992.

The large increase in rights issues reflected a re-rating of property company shares.

The level of funds raised through loans in 1993, which included a £1.1bn loan in October to allow Canary Wharf to exit from administration, was similar *to the 1992 total. Of* the debt of £3.36bn, £2.18bn was used for refinancing existing debt, leaving £1.18bn as new money into property.

The statistics do not include the money invested directly into the market by institutional investors.

MoD incentive to shipyard buyer

The UK Ministry of Defence would be in a position to award a contract to Swan Hunter, the stricken Tyneside shipyard, if a potential purchaser was willing to underwrite the bid, it emerged yesterday.

Since the yard went into receivership in May the MoD has said it can tender for orders, but an award can be made only if it is on a sound financial footing.

It became apparent yesterday, however, that a potential bidder would have the option of backing a bid for an order before committing itself to buying the yard in north-east England.

Swan Hunter's remaining 1,080 employees are fitting out its last orders – two Type 23 frigates.

Vintage wine beats estimate

One of the world's most expensive wines lived up to its reputation yesterday when a bottle was sold for more than £9,000 at auction in London.

The double magnum of Chateau Petrus 1961 was sold for £9,350, beating its estimate of £8,000.

Head of Sotheby's Wine department Ms Serena Sutcliffe said: "It is always a major event to find Chateau Petrus of such an outstanding vintage in a double magnum."

Michael Sydney, export director of Lock & Co, a hat shop in central London which was founded in 1676. The company was yesterday presented with the NatWest Export Award for small businesses, given to companies with an annual turnover of under £1m. He said the best selling lines were tweed caps, which are popular in Italy, France, Germany and Belgium. *Picture: Lydia van der Meer*

Major pays the price for predecessor's sins

Philip Stephens on the prime minister's efforts to shake off the opposition's allegations of sleaze

It is in the book of Exodus after the flight from Egypt that the unforgiving God of the Old Testament delivers his warning to the chosen people: "I am a jealous God visiting the iniquity of the fathers upon the children".

Mr John Major knows what he meant.

Buffeted by the political fall-out from Scott enquiry into arms sales to Iraq, the shady dealings by Westminster's Tory council and an aid-and-arms deal with Malaysia, Mr Major is paying for his predecessor's sins.

He is furious with Labour's attempt to pin the sleaze label on to his government. He is an honest politician. He does not like being branded the leader of a bunch of crooks.

But take them aside and many Conservatives will readily acknowledge that after so long in office any party runs the risk of becoming corrupted by the habit of power.

That, they judge, is what happened in Mrs Margaret Thatcher's third term of office. The massive mistakes in public policy – over the poll tax and Europe to name but two – after her third election victory in 1987 were mirrored by an arrogant disregard of accepted standards in the private business *of government.*

"It was corrupt", admits one minister who served in that administration. That is not to say individuals were making money out of their position in government. But otherwise: *"anything went as far as No 10* was concerned".

The exports to Iraq inquiry by Lord Justice Scott has not uncovered any great conspiracy.

Mr Major's exposition on Monday of his distinctly bit-part role in the affair was convincing. Labour understandably want to pin blame directly on him but the effort does not carry great conviction.

What the hundreds of hours of evidence and thousands of pages of written evidence to Scott does reveal is an unapologetic contempt among some (not all) ministers and officials for their own rules and for the institution of parliament.

For all the sophistry now being employed to argue that *there is no case to answer, it is* hard to find anyone in the senior ranks of the government who does not expect Scott to reach some damning conclusions.

The decision by the Thatcher government to devote £300m of Britain's overseas aid budget to an uneconomical hydro-electricity project on the banks of Malaysia's Pergau river is part of the same picture.

Ministers deny the scheme was linked explicitly to a £1bn arms deal negotiated personally by Mrs Thatcher.

When Mr Major gave final approval to the project in 1991, he was simply handing over a cheque she had promised. He received the assurance of Whitehall lawyers there was no illegality.

But those familiar with both the aid agreement and the "coincidental" arms deal say that the denials of a link are accurate in only the strictest terms.

The Thatcher government did not promise specifically the Pergau dam in return for the arms contracts.

But a few months earlier Mrs Thatcher's office had made a direct link between the arms sales and the aid package from which Pergau was eventually financed.

Then there is the alleged manipulation of electoral boundaries by Westminster council. It cannot be laid directly at the government's door. Lady Porter, the colourful then leader of the Tory group, made her own judgments. Nor is there anything particularly new in local authorities seeking to rig election results.

The brazen self-confidence behind a scheme which the district auditor estimates cost the people of Westminster more than £20m reflected, however, the climate of the age.

No one denies that the leader of what was proclaimed the Tories' flagship council was a frequent and honoured guest at No 10.

So what, Mr Major might say. My government is different. It set up the Scott inquiry. It has actually promoted the civil servant who brought the doubts over the Malaysia project into the public domain. If the Westminster charges are proved, it will condemn the guilty.

But the prime minister remains unwilling or unable to make a clean break. Apart from the occasional slip which provides a glimpse of his true feelings ("the golden age that never was" is the best example), Mr Major continues to defend the actions of his predecessor.

He should instead disown them; He might even, on occasion, apologise *for them. The* forgiving God of the New Testament did, after all, tell us how past sins could be absolved.

MANAGEMENT: MARKETING AND ADVERTISING

Allied Dunbar aims to become market-led with a new advertising drive. **Diane Summers** and **Alison Smith** report

A brand new life campaign

For the first time in nearly three years, Allied Dunbar, the top-league UK life company, will tomorrow night have an advertisement on television. The intention is that this will kick off a campaign that could be developed over five, 10, or even 15 years. A £75m budget has been allocated for the first five years' advertising – £10m of it will be spent in two bursts this year.

This substantial commitment is the culmination of a complete reappraisal of Allied Dunbar's position in the marketplace, its products, image and marketing. The process of reform appears to borrow more from the world of fast-moving consumer goods than from financial services. From seeing itself as product-led in the 1970s, to distribution-dominated in the 1980s, the company aims in the 1990s to become market-led. Along the way, it will want to shake off the "Allied Crowbar" tag it has earned as a result of its robust sales methods.

Many of Allied Dunbar's concerns have been problems for the sector as a whole. Recently the life industry has been defensive about a range of issues, perhaps most notably the widespread failure to comply with regulatory standards in the selling of personal pensions to people transferring out of occupational schemes.

Nor has the industry's reputation been helped by its vigorous resistance to regulators' determination that sale agents must volunteer to customers the amount of commission they receive and more information about the products they sell.

The industry faces severe changes as it deals with what is seen as overcapacity within the sector

The latest divisions over the future regulatory system and the plans for a personal investment authority are a further example of how life insurers appear unable to take the initiative in improving how people may perceive them.

The industry also faces severe changes as it deals with what is widely seen as overcapacity within the sector. While Allied Dunbar believes that the honeymoon period for bancassurance – the selling of insurance products through banks or building societies – may be over, that is not a view taken throughout the retail financial services sector.

In any event, it is a wise life company that makes efforts to raise its own public profile when it is facing increasing pressure from competitors who have a presence on most high streets.

Allied Dunbar is among the 10 largest life companies in the UK, with £14bn of funds under management and 1.4m clients. Most of its business, about 88 per cent, comes through its 4,000-strong direct sales force, while the rest comes through independent financial advisers.

The company has existed as Allied Dunbar only since the mid-1980s. It was originally set up as Hambro Life in the early 1970s by Sir Mark Weinberg, under whose leadership it revolutionised life insurance sales techniques. He departed in 1990 after it was bought by BAT industries.

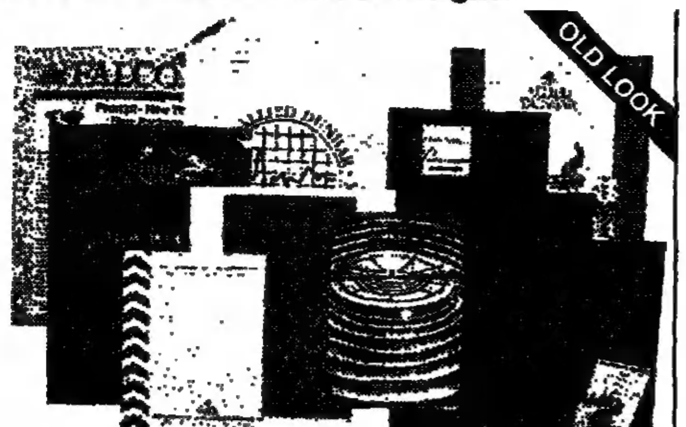
The reappraisal began in the following year with the appointment of George Greener, former head of Mars confectionery in the UK, as chief executive. One of Greener's first actions was to freeze expensive television advertising while the company sorted out its "brand" – an approach and the kind of language familiar to marketers of chocolate bars but a shock to executives in the financial services world.

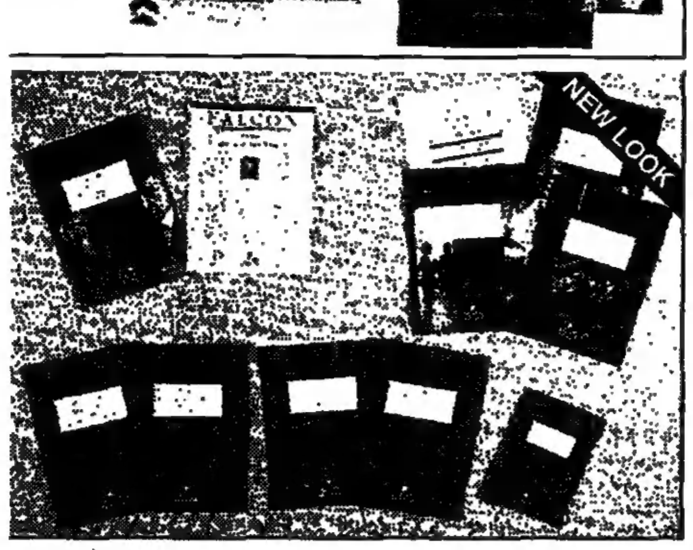
Greener has since moved on to a wider role in BAT but the current chief executive, Sandy Leitch, who took over last year, has continued the review. It was found that the company had a completely outdated picture of the marketplace: it was using the industry's standard "market segmentation" model, linking life stages to financial needs but taking no account of demographic changes.

The model – which has been around since the 1950s and is still used by some of Allied Dunbar's competitors, according to Jerry Grayburn, marketing director – assumes, for example, that all 20-39-year-old couples have young children. Says Grayburn: "If you haven't got children, you don't exist on the old model." Those over 60 and not retired, and single people with dependent children, were other groups that were previously ignored. The company has developed its own model which is already influencing product design.

There are now seven new segments: young professionals; dual career families; up-market empty nesters; mid-market empty nesters; new inheritors; self-employed; and high net-worth individuals. Each of these has a number of sub-segments.

How the literature was redesigned





The Grey Communications Group was hired to help Allied Dunbar define and build its brand. The agency had little experience in financial services but was known to Greener from his Mars days. Grey's first task was to find out how the company was seen, both by employees and consumers. "It was confusion. We didn't know what our reputation was – it was different things to different people," says Grayburn. Some of the contradictory messages that came back were that the company was both crusading and manipulative; was simultaneously caring and aggressive.

The next problem was to establish what Allied Dunbar's brand – "reputation", rather than brand, has been the word more easily understood within the organisation – ought to be. The result contains few surprises: consumers want, for example, to know the company is large, successful and financially secure; they want to be treated as individuals and have individually-tailored solutions to their financial needs throughout their life; and they want to find the company caring, honest, knowledgeable and experienced. Interestingly, clients (customers are no more) also want unpleasant and difficult issues confronted when investments, life assurance and pensions are discussed, and to have a clear idea what provision is being made for which eventualities, says Grayburn.

Consultants Coopers & Lybrand are helping to develop indices that will enable Allied Dunbar to measure the value of the brand and relate aspects of its performance to the bottom line. It is hoped, for example, that it will be possible to tell, over time, what the relationship is between client satisfaction and profits, so that marketing can be more tightly focused.

The first television advertisement, unveiled tomorrow, will not focus on any individual product, but will start to build the brand along the newly-defined lines. Deliberately, no stars will be used, for fear of overshadowing Allied Dunbar's own name. (The name itself will not change, says Leitch: "The only problem with the name is that it's not well-known enough.")

As the television advertisements get under way, all the company's brochures and publications will be overhauled. Until last year there was no unified style, which caused confusion in the marketplace, robbing Allied Dunbar of impact and leading to a "horrendous waste of money," says Grayburn, because each publication needed individual design work. An interim redesign (see illustration) will be superseded shortly.

Having set out its new, high-profile approach, Allied Dunbar is anxious to do all it can to minimise the risk of its message being undermined by its sales force, particularly given the background of public unease about standards in the life insurance industry.

Increased spending on training and compliance, as well as changes to the structure, have resulted, and specialist advisers have been appointed to the 19 regions to support the regional sales directors.

The remuneration of sales managers has also changed. Managers will no longer receive a slice of commission on the products their sales agents sell, but will be remunerated according to performance and targets set by the company.

Grayburn concludes in classic FMCG-style marketing speak: "Delivering consistent expectations is a key ingredient of building a strong brand. It is also important to be differentiated from other brands. But, most important of all, we've got to deliver. If you promise but don't deliver you end up like British Rail."

Monster challenge for cut-price Kia

Kevin Done looks at a South Korean carmaker's move into the US market

Kia Motors, the South Korean carmaker, is about to launch itself on the US market. It is a daunting challenge. No one knows the brand. It is about to become the 36th nameplate in an already very overcrowded marketplace.

In order to carve a foothold in what is reckoned to be the world's most competitive car market, Greg Warner, executive vice-president of Kia Motors America, has decided that the key will be "disruption".

Early Kia market research was hardly encouraging, he says. "No one knows us. Kia brand cars have not been sold in the US before. No one needs us. It's not news that there is an over-supply of vehicles on the market right now. No one wants to hear from us. There's billions of dollars spent every year on automotive advertising. Who the heck wants to hear from yet another car company?"

The disruption strategy will effectively mean that Kia will seek to under-price its rivals by a significant margin, while supplying cars of competitive quality with often superior levels of standard equipment.

A similar strategy has often been used in the past by Japanese carmakers, but now it is the Japanese competition itself that Kia has in its sights. Warner maintains that a space has opened up at the bottom of the US market, thanks to substantial price increases by the Japanese carmakers, who have been under heavy pressure from the appreciation of the yen.

Kia's first US television advertising campaign begins next week, prior to the launch in February. It features clips from a 1960s science fiction film, *Gorgo*, with a gigantic monster trampling across the buildings of a city centre to the accompaniment of screams and dramatic music. Then the text appears, "There's only one thing more frightening to Japan." There's another shot of the angry monster, then the text "A well-built car for under $8,500" (£5,743).

Kia's first vehicle to be launched in the US is the Sephia, a small, four-door, family car with a 1.6 litre, 16 valve Mazda-designed engine.

"Our greatest impact will be on Japanese makes," says Warner, who is targeting the Sephia at rivals such as the Toyota Corolla, the Honda Civic and the Mazda Protege. It will also compete with GM's Saturn range and the recently launched Chrysler Neon.

He claims that the lowest list prices for a four-door Corolla or Civic are now more than $12,000. The Sephia is being launched with a base price of $8,495.

"The concept of providing compact sedans for an affordable price has been discarded by the Japanese. I have a feeling we haven't seen the last of price increase announcements from the Japanese."

TECHNOLOGY

Sarah Underwood on a network for Britain's national lottery

Lucky numbers

Britain's new national lottery opens for business in about a year, promising big cash prizes to the punters and much-needed tax revenues for the UK government.

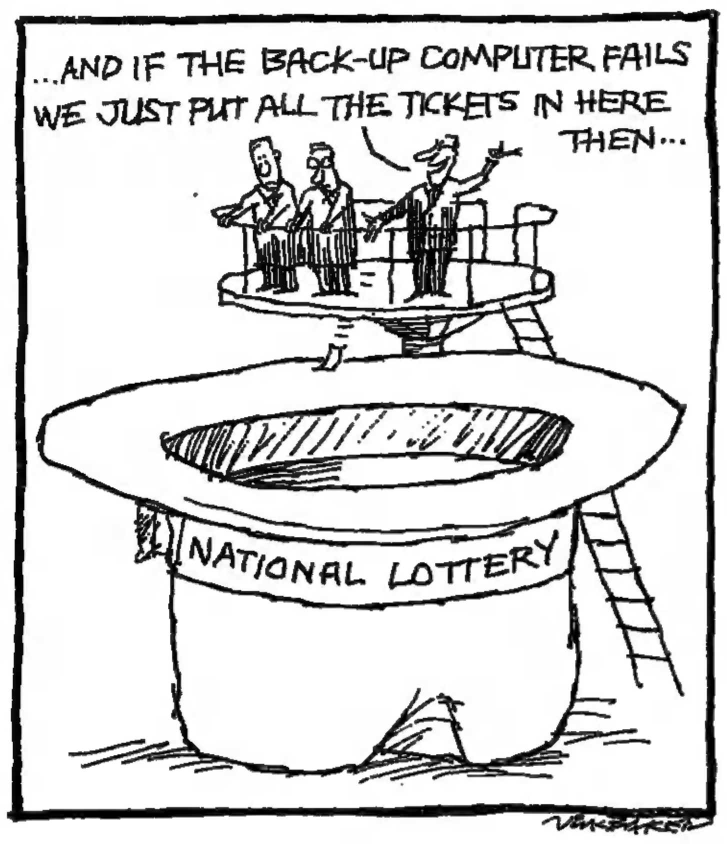
For the consortium chosen to operate the lottery, however, it also poses some daunting technical problems, not least of which will be setting up one of the largest computer networks in the world in around six months.

The eight consortia expected to bid for the licence next month agree that, while the technology involved is relatively simple, the sheer size of the network, coupled with strict requirements for reliability and security, will make building the necessary computer system a tortuous task.

Having stated its requirement, the government is leaving the specification of the system to its potential suppliers. To be truly national, however, it will need to cover more than 10,000 nationwide retail outlets at launch time, rising swiftly to approach 25,000. Each will be installed with a specially designed terminal connected to a central computer system handling on-line transaction processing at speeds of up to 2,000 to 3,000 transactions a second at peak betting times, typically the hour before the weekly jackpot is drawn.

A second computer centre, located at a separate site in case the first is hit by disaster, will be on constant standby, ready to take up the processing load should the lead computer system fail.

David Bale, chief executive of the New Zealand Lotteries Commission and a consultant to UK bidder the Great British Lottery Company, warns against over-ambition. "The key is integrity. The system must do everything properly, all the time. I would suggest that it would be irresponsible for anyone to bid newly developed software for such a large system as the UK. It must be well and truly tested, as must the hardware and communications network."



New Zealand's lottery, set up under Bale's guidance in 1987, has 700 outlets but because of their geographical spread and the country's demographics, it has proved a tough testing ground. Newsagents were initially connected to a central system via New Zealand Telecom leased lines and modems, although the network was digitised last year to improve availability and resilience as well as to add new features such as an emergency satellite back-up service.

Bale's worst memory is the Saturday morning when a road digger sliced through both the primary and secondary wires connecting 50 per cent of New Zealand's lottery customers to the central system, jeopardising an equal percentage of the week's income. In this instance, service was resumed by 5pm in time for intense activity before the 7pm weekly big prize draw.

Besides leased lines and locally connected circuits, communications technologies which may be viable in the UK include cable, packet radio networks, emerging integrated services, digital networks and, ultimately, the latest generation of satellite services.

Bale cautions, however, against a mix-and-match approach to building the communications network. "Every time you add a new media, you add problems. I would avoid it like the plague.

"BT's twisted-pair wiring goes everywhere in the UK and I believe it will deliver a very resilient service." With the investment in technology to set up the network expected to be £200m or more, British Telecommunications will not be the only supplier keen for a slice of the action, although its involvement is almost guaranteed as Mercury has neither the coverage, nor the experience, sought by the consortia.

Established suppliers of lottery system hardware include US companies Digital Equipment Corporation, Concurrent Computers and Control Data, which also offers complete systems through its subsidiary Automatic Wagering International. Software and specialist terminals are dominated by US-based G-Tech, with more than 60 per cent of the world market. It is also a member of the Camelot consortium (backed by Cadbury Schweppes), although this will not preclude other bidders from selecting its systems.

Specially designed G-Tech lottery terminals, bearing some resemblance to a hybrid automatic teller machine and cash register, and made by consortium partner ICL (the UK-based and Japanese-owned computer company), would be installed in retail outlets with communication handled across a customised network of mixed media chosen for its cost effectiveness.

Don Stanford, G-Tech's senior vice-president for technology, says: "We need to achieve over 99.98 per cent availability and total transaction times of less than 5 seconds from when the customer hits the button to when he receives a receipt. And we want to give retailers a terminal designed to provide the power, capacity and speed to sell all game products within 5 seconds. In the UK, things will go wrong if the solution is not completely integrated or properly tested.

"The hardest part of the job will be planning and tackling the complexity involved to have everything online on day one. Besides the computer systems, retailers need to be trained and there will be a high field service requirement." Although none of the consortia is prepared to commit itself, Stanford – who masterminded the Texas and California state lotteries – believes more than 500 jobs in manufacturing, operating the lottery and servicing retail sites will be created by the consortium chosen to run the lottery under the first seven-year licence.

IBM, the technical partner in the Lottery Foundation (formed by Richard Branson, chairman of Virgin), endorses the need for systems integration. In its self-appointed role as a services company rather than hardware supplier, the US computer group will act as a project management and implementation specialist.

To enhance its technical credibility in the eyes of the government selection team, Rainbow, the group put together by advertising agency Leo Burnett under the chairmanship of Sir Patrick Sheehy (chairman of BAT Industries), has enlisted a well-known technical expert. Peter Borer, formerly head of British Rail's telecommunications arm, is, like his counterparts, scrutinising all the technical options available.

As Bale points out: "The UK lottery is the last big prize [in the gaming sector] in the 20th century and probably the 21st. The battle will be in marketing, but that must be supported by first-class gear."

Buildings that take quakes in their stride

Despite the scenes of destruction, Los Angeles could have fared much worse, reports **Andrew Taylor**

Considering the forces involved, the density of population and the large number of buildings in the area, Monday's earthquake in Los Angeles could have been a lot more devastating.

This will not comfort those who lost loved ones or their homes or who were seriously injured, but the death toll would have been much higher if more buildings and structures had collapsed.

Richard Hough, who runs a 60-strong office for British consulting engineers Ove Arup in Los Angeles, says: "My first impression is that the city's buildings came through it pretty well."

There is serious concern at the collapse of some freeway bridges and elevated motorway sections which would have been disastrous if this had occurred during rush-hour. The damage has caused serious disruption to the city's traffic but is still small compared with the size of the city's total road network.

Ove Arup compares Monday's quake with a similar-sized one at Spitak in Armenia in 1988 which killed 25,000 people and left a greater tide of damage in its wake.

The US west coast has some of the most stringent building regulations in the world outside Japan which suffers from an even more unstable geology.

International construction techniques to combat the severe stresses unleashed by quakes have improved significantly during the last 25 years as computers have allowed engineers to master the complex mathematics needed to calculate how a building will respond to violent ground movements.

Demand to improve building standards in California rose sharply after a hospital collapsed during the 1971 San Fernando quake which killed 65 people, says Edmund Booth, a senior seismic engineer at Ove Arup.

Structures must be pliable as well as strong, he says. If they are "too stiff" they will be unable to flex with the movement of the ground, and collapse.

Designers, he says, must be careful that the natural frequency of a building does not closely match that of possible ground movements. This could cause the structure "to hum like a tuning fork" and shake itself to bits.

This occurred during the 1985 Mexico City earthquake where an essentially harmless earth movement was amplified by the soft soils of the dried-up lake bed on which the city stands. This had a devasting effect on buildings of 12 to 20 storeys, says Booth.

The horizontal forces produced by quakes are substantial, yet buildings are designed mainly

... and those that cannot

to withstand vertical forces from the weight of floors, furniture, people, office and industrial equipment they contain.

An office block in London, for example, might be designed to withstand a horizontal force of of just 1¼ per cent of its vertical load to combat high winds. In Los Angeles, this ratio might rise to 10-15 per cent and by as much as 20-30 per cent in Tokyo.

A multi-storey building in Los Angeles carrying a vertical load of 25,000 tonnes, therefore, might be designed to withstand a horizontal force of 2,500 tonnes, which is quite a punch, says Ove Arup. Typically, the cross section of a column supporting the frame of a Californian office block would be up to 50 per cent larger than that of a building in a stable seismic area. Reinforcement for columns also would be several times stronger.

Joints connecting upright columns and horizontal beams need to be strong to prevent shearing, and sufficiently flexible to allow the building frame to respond to ground movement.

A large number of deaths in the Armenian quake were caused by floors breaking free from the frame and collapsing one on top of the other like a pack of cards.

More recently, buildings have been mounted on bearings such as large rubber pads designed to "detune the structure from some of the underlying earthquake movement". Ove Arup estimates that about 10 buildings and a similar number of bridges have been built this way in Los Angeles. "It will be interesting to see how these have performed compared with other designs," it says.

More recently, Japanese engineers have incorporated computer-controlled hydraulic jacks which are used to brace buildings but can also allow the frame to move depending upon the scale and frequency of the ground movement.

Designers also have to take into account the effect of building movement on cladding and internal fittings. It is not enough to keep the building standing and floors intact if large amounts of decorative cladding and glass break free, killing and maiming crowds in the streets below.

Large pieces of equipment and furniture need to be fastened so that they do not topple over and hurt staff. A telephone exchange at Erzincan in Turkey, which wasthought to be fully prepared for a quake, suffered in 1992 when batteries stored to provide emergency power spilt sulphuric acid on the floor.

"The primary objective," says Booth, "is that a structure should be designed so that its occupants can safely leave it even if some damage has occurred." Tragically this does not always happen.

PEOPLE

Cable & Wireless tempts second BP exec

Cable and Wireless, the international telecommummunications group, has poached another senior executive from British Petroleum.

Stephen Pettit, 42, chief executive of BP's petrochemicals business, has been appointed to the newly created post of Cable and Wireless's managing director for Europe.

Pettit is following in the footsteps of James Ross, a former managing director of BP, who took over as C & W's chief executive in April 1992.

Like Ross, who had spent 33 years at BP, Pettit is a veteran BP man, having joined the company in 1974 after university. In 1981, BP paid for him to get his MBA from Insead.

Ross says Pettit has been hired for his "extensive experience of international management in a number of very competitive markets". Prior to taking on the petrochemicals job Pettit had been responsible for for BP's oil trading business.

He will be responsible for C & W's activities in the European Union – excluding the UK – together with Austria, Norway, Finland, Iceland, Sweden, the Baltic states, Eastern Europe and the western CIS.

Besides those tasks, he will also be responsible for coordinating all C & W mobile activity around the world.

Pettit is to join the European management board, chaired by Mercury chief executive Mike Harris, and will also join Ross's chief executive's committee.

Harris, a former chief executive of Midland's Firstdirect telephone banking business who switched to C & W in October 1991, says that he wants Pettit to unlock "the synergy between the investments that the group has made in Mercury and those that we look to make in Europe".

international news, page 4.

■ Eric Holroyd, 67, has stepped down as chief executive of Serif, less than a month after the refinancing of the loss-making printing and packaging group.

John Sandiford, the company's finance director, said that Holroyd was a company doctor and now that the refinancing had been completed there was less need for his services.

Holroyd will remain on the board as a non-executive director and a new chief executive is being sought.

Darjeeling man moves to Food From Britain

Food From Britain, the government and industry funded body to promote exports of British comestibles, has a new chief executive, Patrick-Davis, 46. He gets his feet under the table, with a three-year contract, from March 7.

Davis, right, started his working life in the food business in 1964, joining Cadbury as a management trainee. During his time with the company he served in South Africa during 1969-70 and then moved on to Ireland, with a variety of posts involved in sales, marketing and trading.

In the management buy-out of Premier Brands in 1986 he took over the management of the tea division, and was closely involved with the company's acquisition of six different tea companies in the following two-and-a-half years. A previous chairman of the UK Tea Council – "the champagne of teas is Darjeeling", he says – Davis was managing director of Premier Teas, a major division of Hillsdown Holdings, from 1990-93.

FFB was established in 1983 and now has six offices in Europe and one in the US. Its overseas offices were recently privatised and last year provided consultancy support to more than 700 British companies.

In September 1993 Derek Garner stood down as FFB chief executive, following a government decision to slim down the organisation.

Davis says FFB will concentrate on two key aspects in the immediate future; the export of British food products and the development of speciality products in the UK. "I'd like to put the 'great' back into great food from Britain," he says.

Virtuality's new strategist

Virtuality, the recently-floated company which produces hardware and software for virtual reality computer-generated entertainments, has turned one of its non-executive directors – Anne Glover, on the board since December 1991 – into chief operating officer.

Glover, right, will be based in the UK and will be responsible for operations worldwide. She will focus largely on implementing the international strategy of the company, which is aimed at making strong advances in Japan, Asia-Pacific, and the US. Virtuality is focused on exploiting the leisure possibilities of the new technology.

Glover, 39, is a Cambridge graduate and gained an MBA at Yale. She then spent five years with Cummins Engine in the US, followed by a further five years with the management consultants Bain, in Boston. In 1989 she joined the venture capital company Apax Partners, which backed Virtuality in its early days as W Industries. Peter Englander, a director of Apax, is to join the board of Virtuality as a non-executive director.

The company was founded in 1988 by Jon Waldern, who remains its managing director. Apax still has a 50.9 per cent stake in the company, though that is expected to diminish gradually over the next few years. Virtuality floated on the London Stock exchange in October; its shares immediately traded at a substantial premium to the placing price of 170p, reaching a high on the first day of 315p.

Bond trader settles deal

Fears among top brass at investment banks in the City that their best bond traders would jump ship once they received their hefty 1993 bonuses are coming true – sooner than they thought.

With the ink barely dry on his handsome cheque, Michael Sherwood, the 28-year-old whizz kid widely seen as one of the driving forces behind Goldman Sachs's rise to the top of the Eurobond league table, has traded in his stressful life as head of the Eurobond syndicate desk at the US bank for a more leisurely career as fund manager at a private Swiss bank in London. Goldman's head of Eurobond trading, Sean Church, 29, has gone with him to CBI-UBP International, the London subsidairy of Union Bancaire Privée.

Union Bancaire Privée was created in 1990 when Compagnie de Banque et d'Investissements took over TDB American Express, the Geneva-based subsidiary of the US financial services group.

"We received an attractive offer to develop a fund management business for a major Swiss bank in a smaller working environment," Sherwood said yesterday.

Michael de Picciotto, the head of Union Bancaire Privée in London, said the duo will manage fixed-income investments for the bank's clients, and that their appointments are part of the bank's expansion plans. They are expected to be at their desks within one month.

Senior management at Goldman Sachs are stoical about the unexpected departure of two of their most successful graduate recruits and point out that staff turnover at their bank is lower than most. Dan Cook, the 30-year-old head of Eurobond syndicate at Union Bank of Switzerland, is joining Lehman Brothers; further evidence that the Eurobond market's annual game of . usical chairs has started.

Cinema/Nigel Andrews

The comic who fell to earth

MANHATTAN MURDER MYSTERY (PG)
Woody Allen

HEAVEN AND EARTH (15)
Oliver Stone

TOMBSTONE (15)
George [illegible] Cosmatos

CALENDAR
Atom Egoyan

HOUR OF THE PIG (15)
Leslie Megahey

BHAJI ON THE BEACH (15)
Gurinder Chadha

Manhattan Murder Mystery is Woody [illegible] funniest film in years. Yet watching it I kept thinking [illegible] Columbia space shuttle disaster. For this comedy is [illegible] kind of tragedy. A rocket falling travels through [illegible] airspace as [illegible] rocket climbing and at much the same speed. To the casual eye it might be a replay of the same spectacle. Yet everything has changed.

The [illegible] hope [illegible] now [illegible] panic [illegible] nullity [illegible] despair. The unity of purpose and construction [illegible] now [illegible] cluster [illegible] shellshocked fragments.

In [illegible] new film Woody [illegible] plays [illegible] York flat-dweller [illegible] enigmatic neighbour (Jerry Rubin, doing a portly-ominous number a la Raymond Burr in *Rear Window*) may have murdered his wife. Woody is [illegible] rejoined – falling through the old career airspace – by Diane Keaton as his sleuthing spouse and by Marshall Brickman as his co-screenwriter. Together again! The trio who made comedy history with *Annie Hall*!

Only this time the vehicle is [illegible] movie shuttle [illegible] is going down not up. As for the noise from us watchers on the ground – [illegible] who loved Woody when [illegible] soared and have watched agonised as his name plummets through the Scandal Zone – well, is that laughter or hysteria?

Probably bits of both. Here is the bug-eyed, mosquito-voiced Everymensch: flailing his arms, railing at life, remembering [illegible] first ill-fated date with his wife (they saw *Last Year At Marienbad* – "Who [illegible] they [illegible] flashbacks!?") and [illegible] when her friendliness [illegible] the elderly [illegible] couple down the corridor turns into DIY detective work when the [illegible] suddenly dies. He [illegible] as she gets up [illegible] midnight to break into locked apartments. He urges [illegible] to [illegible] seeing [illegible] shrink again – "You know how General Motors [illegible] cars?" But he finally gives up and joins her, plus Alan Alda [illegible] friend) and Anjelica Huston (passing novelist), in [illegible] ing [illegible] the evildoer.

The one-liners are beauties. Woody to Diane: "Save a little crazi[illegible] for menopause!" Woody [illegible] at [illegible] Met: "I [illegible] listen to that much Wagner. I start to get the urge to conquer Poland again." Yet something is [illegible] and it [illegible] 'something' [illegible] a falling [illegible] vehicle might [illegible] Captain, I think we [illegible] passed [illegible] cloud/sunbeam/bird before.

Nothing in [illegible] *Mystery* [illegible] new. The joke allusions [illegible] (*The Lady From Shanghai*; [illegible] *Indemnity*); the phobic [illegible] (Hus[illegible] new [illegible] *Finnegan's* [illegible] like airport reading"); the comedy [illegible] paranoia (who will get caught behind [illegible] wrong door?). Above all, [illegible] Woody [illegible] endearing [illegible] with the haymaking [illegible] and [illegible] take-off intonations. But [illegible] infantilism [illegible] to look [illegible] bit ghoulish in a man we know [illegible] be nearing 60 and knocked [illegible] (offscreen) by things worse than being caught prying [illegible] life [illegible] a suspect uxoricide.

We *do* laugh, at times even guffaw. [illegible] we also sense a film of fragments without [illegible] a scrap-book movie. It is as if the heat-seeking [illegible] have finally [illegible] Spaceship Woody, or [illegible] if he has [illegible] they might. He [illegible] shrugged [illegible] shoulders, [illegible] the safety-catch off [illegible] artistic [illegible] button [illegible] prepared [illegible] head [illegible] for base, [illegible] in a last warming glow of nostalgic glory.

★

[illegible] Stone's *Heaven And* [illegible], the last part of his Vietnam trilogy, has a different way of setting the [illegible] aglow. Some war movies [illegible] by their awful [illegible]. The [illegible] feelings of *La* [illegible] *Of Glory* speak louder [illegible] *or* images. Other war cinema, including [illegible] *Platoon* and the combat scenes in *Born* [illegible] *Of July*, [illegible] high on [illegible] fury, like fire-breathing [illegible].

[illegible] *And Earth* takes two [illegible] by Vietnam-born Le Ly Hayslip, [illegible] suffered in [illegible] VC [illegible] US hands, [illegible] as kindling [illegible] agit-pyromania. [illegible] sense him setting things up in [illegible] sequence. Wide-screen vistas [illegible] verdant valley – Southern Thailand playing Central [illegible] – [illegible] dunked in lush orchestral music plus choirs, much as a pile of wood is soaked in paraffin by an impatient bonfire-builder.

[illegible] up [illegible] this inspirationalism? Then bring [illegible] the juddering angel-of-death helicopter, pixilating the landscape [illegible] an apocalyptic blur. Follow [illegible] sequences in [illegible] Le Ly visualises young compatriots being hurled from Uncle [illegible] choppers. Follow [illegible] with capture, [illegible] torture-for-all-tastes (electricity, snakes down blouses, ants [illegible] honey-smeared ankles). [illegible] then drag [illegible] heroine, after [illegible] orphaning her from [illegible] wisdom-spouting father (Haing S. Ngor of *The Killing Fields*), into the very engine-room [illegible] imperialism by marrying her to Sergeant Tommy Lee Jones.

With this actor, fast becoming America's leading psychotic, there [illegible] only [illegible] question. When will he crack up? He cracks up here back in America, after [illegible] shocked bride learns he plans [illegible] cash in [illegible] army stripes for [illegible] arms-trading [illegible] back [illegible] – yes! – Vietnam. [illegible] films [illegible] domestic corrida scenes with an intensity so [illegible] they almost work. Jones's gnarled bullet-head, harbouring all America's tragic geo-political evils, [illegible] grand-guignol [illegible] counterpoint [illegible] the melting, [illegible] Le Ly, better played than the role [illegible] scripted) by [illegible] Hiep Thi Le.

[illegible] if [illegible] could [illegible] his preachy [illegible] view of man's [illegible] to [illegible] he might find far more power – as [illegible] good artist finally [illegible] – in splitting the atom of personal encounter. Great drama [illegible] small spaces. Large spaces merely [illegible] gas-filled generality.

On [illegible] theme, which of [illegible] following transatlantic films should [illegible] for? [illegible] film about identity, [illegible] Egoyan's *Calendar*? Or [illegible] large Hollywood rehash of the [illegible] Corral story, *Tombstone*?

[illegible] *Tombstone* is [illegible] long hours in [illegible] Echo-chamber Elegiac mode, in which [illegible] mous[illegible] called Wyatt Earp (Kurt Russell) muses [illegible] life with dying [illegible] Holliday (Val Kilmer) overacting [illegible] Boothe [illegible] Curly Bill) and wheeled-in-for-a-cameo Charlton [illegible] guns are fired, but [illegible] in [illegible] than in anger. And director George Pan (*Rambo*) Cosmatos directs [illegible] if [illegible] trigger finger [illegible] itching [illegible] shoot away all the phony *weltschmerz* in Kevin Jarre's screenplay.

Calendar [illegible] terminal subject with teasing glee. The director [illegible] *The Adjustor* here revisits his [illegible] tral Armenia, commissioned [illegible] photos for a tourist calendar, and improvises a tale of marital break-up. Main characters: himself (often just [illegible] poignantly interrogative voice off camera), [illegible] Armenian-born wife and [illegible] local guide [illegible] her lover. While a foreign [illegible] shines [illegible] their bilingual imbroglios, flash-forwards depict Egoyan back in Canada trapped [illegible] misery of serial dating and [illegible] miasma of memory. This film about time, space and emotional paradox is as bewitching and many-angled as [illegible] leitmotif: [illegible] Byzantine churches that gaze timelessly, tauntingly, from [illegible] skylines.

Finally, two British movies which sprawl amiably all over their subjects. Leslie Megahey's [illegible] *Hour Of* [illegible] *Pig* [illegible] a just-fancy-that historical footnote – [illegible] you know that mediaeval French justice [illegible] put animals on trial? – and gets carried away by [illegible] possibilities. Magistrate Colin [illegible] battles [illegible] a [illegible] porker from a murder charge, while Nicol Williamson, Donald Pleasence and Ian Holm snarl, oink [illegible] sharpen their trot[illegible] in [illegible] background. A few moments [illegible] inspired [illegible] not enough.

In Gurinder Chadha's *Bhaji On The Beach*, Anglo-Asian Birmingham [illegible] funny-disastrous day [illegible] in Blackpool. Four generations [illegible] immigrants find their problems coming [illegible] a head, [illegible] pregnant daughters, wife-beating husbands, lonely [illegible] and God knows who [illegible] their trip turning into [illegible] awayday [illegible] Purgatory. [illegible] comedy is [illegible] soft-centred [illegible] the [illegible] crunch on [illegible] themes as they should. [illegible] is flavoursome [illegible] in the performances and [illegible] seedy-photogenic setting.

Through the Scandal Zone: [illegible] Allen with Diane Keaton in 'Manhattan Murder Mystery', his funniest film in years

Theatre/Andrew St George

One sail short of a full rig

Daphne Du Maurier (1907-89) [illegible] plays: the third, *September Tide* opened in London in 1948 [illegible] is now at [illegible] Comedy [illegible] in a joint production [illegible] The King's Head, [illegible] Thorndike [illegible] the Liverpool Playhouse. This brief Cornish sea [illegible] one sail short of a full rig; but it is well acted and neatly paced.

Evan, a rumbustious Welsh artist of the Dylan Thomas variety is unromantically married to Cherry, a sulky, [illegible] Chelsea [illegible] student. They [illegible] her mother, Stella, [illegible] her [illegible] house in Cornwall; Evan falls in love [illegible] mother-in-law, [illegible] the [illegible] tion is [illegible] complicated by Cherry's loutish brother and Stella's suave [illegible] suitor.

It is hard [illegible] tell [illegible] this [illegible] a comedy: director Celia Bannermann's problem [illegible] that [illegible] Maurier's style [illegible] that any interpretation can [illegible]. The lines played as jokes pop up uninvited and unannounced: "How do you do, I'm mother," says Stella [illegible] Evan, "I've never had a son-in-law" and he replies "Perhaps I'll be the first of many."

Du Maurier is at [illegible] in [illegible] which adapt well for the [illegible] (*Don't* [illegible] *Now*, [illegible] *Inn*, [illegible] where her [illegible] ability to [illegible] atmosphere can [illegible] translated into images which have [illegible] vaguely menacing feel. This [illegible] a haunting [illegible] from Eric [illegible] and [illegible] with [illegible] looking at the ferry which [illegible] Evan away. In [illegible] are meaningful pauses [illegible] portrait [illegible] Stella and [illegible] warning [illegible] power [illegible] those September [illegible]. In [illegible] this [illegible] Noel Coward's *Brief Encounter*. [illegible] character [illegible] love for [illegible] and the [illegible] both.

The acting [illegible] the weak[illegible] Du Maurier's plot. [illegible] the brawling Evan, Michael [illegible] is superb: loose-limbed, quirky [illegible] passionate. [illegible] moods shape every scene [illegible] plays. Opposite him, Susannah York as [illegible] is still [illegible] *dis*[illegible] for [illegible] woman he [illegible] fall for; her [illegible] scene [illegible] alone on stage waiting [illegible] him to [illegible] up [illegible] during a storm, without speaking, [illegible] across how worried [illegible] that he might not return, and then hides her concern from him when he does. Elsewhere, the cast seems [illegible] certain [illegible] difficult roles. [illegible] as Cherry is belligerent to a fault, and [illegible] Byrne [illegible] la's [illegible] polite beyond [illegible].

Du Maurier originally [illegible] play *Mother*, and [illegible] the central character on Ellen Doubleday: it still bears [illegible] marks [illegible] that infatuation, although Du [illegible] protested that [illegible] not a lesbian. What [illegible] left is [illegible] vacuum [illegible] a play [illegible] by [illegible] roles.

Comedy [illegible] (071 [illegible]

Alastair Muir

Distrait: Susannah York

Theatre / Malcolm Rutherford

Oleanna changes gear

A spectacular change of cast [illegible] look an even better play than [illegible] it had [illegible] British premiere [illegible] Royal Court [illegible] July. Nothing in [illegible] is redundant.

[illegible] two [illegible] – a male professor and a not very bright female student – failing [illegible] understand each other. [illegible] the [illegible] cast there is [illegible] change in the balance of power. There is [illegible] gain. The juxtaposition of the student's sense of social inferiority and the professor's relative affluence, self-confidence and security has become much clearer.

When I first saw Harold Pinter's production at [illegible] Court, I noted that it was about much more than [illegible] current debate on political correctness. [illegible] about McCarthyism, [illegible] and academic freedom [illegible] the [illegible]. I wrote, perhaps wrongly, that the gender [illegible] was incidental [illegible] the theme: [illegible] student might just as well have been male. [illegible] I am [illegible] so sure, for the great merit of *Oleanna* is that it [illegible] played in all [illegible] of ways.

[illegible] the social [illegible] much stronger. The student [illegible] hard to [illegible] to college in [illegible] place. [illegible] has read the professor's book in order to write her [illegible]. True, she does not understand it, but she expects to [illegible] taught and given the rewards of a university education.

What she sees [illegible] a professor who [illegible] least as interested in buying a [illegible] house and securing his tenure [illegible] teaching [illegible] subject. Moreover, he has troubles with his [illegible] and [illegible] telephone scarcely stops ringing. It does so, almost fatally [illegible] the [illegible] of [illegible] when the student is just beginning [illegible] become articulate.

By the start [illegible] act two, there has been [illegible] complete reversal [illegible] roles. [illegible] girl [illegible] her campus committee and [illegible] pursuing a case against the profes[illegible] only for [illegible] harassment, but also for relying [illegible] unacceptable texts.

The student's perceptions are, [illegible] course, a travesty of the truth. The professor [illegible] going out [illegible] way [illegible] help her. Nevertheless, at her age and with her background, it is the perceptions that count, and he does in a [illegible] seem slightly smug [illegible] patronising.

None [illegible] plain when the play first appeared. [illegible] first time I think that Pinter's direction [illegible] improved with repeated perfor[illegible]. The timing of the lines – and the interruptions – has become immaculate. Just as important, the new [illegible] more [illegible] the roles and thus allow greater scope for ambiguity about who [illegible] fault.

In the original production David Suchet [illegible] a rather [illegible]fident professor who would never hurt [illegible] fly except under extreme provocation. He [illegible] to go round apologising for himself. He [illegible] been succeeded by Denis Lawson. No-one would use [illegible] word diffident about him. Lawson [illegible] tall, dark [illegible] handsome with blow-dryed hair, [illegible] charm and knows it. All [illegible] perception [illegible] more plausible.

Again, in the original [illegible] played by Lia Williams was [illegible] mousy, ret[illegible] figure who [illegible] to have been put up [illegible] complaints by [illegible] campus commit[illegible] Michelle Fairley [illegible] quite different. [illegible] seems [illegible] acting in her own right. Sometimes in the second act [illegible] seems genuinely frightening and believes what she [illegible] saying. [illegible] the sting in [illegible] way [illegible] turn [illegible] tables on [illegible] professor when making [illegible] (quite false) distinction [illegible] allegations and facts.

[illegible] to cast [illegible] on the earlier performers. It [illegible] play [illegible] production. No doubt another [illegible] could play it another way again; here, in [illegible] gender war, Lawson and Fairley come [illegible] on pretty [illegible] equal terms. [illegible] only my impression. *Oleanna* [illegible] good precisely because others [illegible] reach different conclu[illegible].

Duke [illegible] (071) 836 5122

INTERNATIONAL ARTS GUIDE

ATHENS

Megaron Sat: ERT National Symphony Orchestra and Chorus. Mon: Nana Mouskouri. Next [illegible]: an evening of Russian poetry. Jan 29: José van Dam. Feb 5, 6: Philharmonia Orchestra (01-728 2333/01-722 5511)

BARCELONA

Gran Teatre [illegible] Liceu Tonight: [illegible] Mund [illegible] first night [illegible] Friedrich's 1990 Berlin production of Hindemith's Mathis der Maler, [illegible] a [illegible] including [illegible] Dohmen, Jan Blinkhof, [illegible] Armstrong and Cynthia Clarey (repeated Jan 23, 26, [illegible], Feb 1 and 4). Kathleen Kuhlmann gives a song recital on Jan 28, followed by Olga Borodina on Feb 3 (tel 412 3532 fax 412 1198)

BOLOGNA

Teatro Communale Tonight, Sun afternoon: Gianluigi Gelmetti conducts Roberto de Simone's production of L'Italiana in Algeri, [illegible] di [illegible], Rockwell Blake and Michele Pertusi. Mon: Truls Mork, accompanied by [illegible] Yves Thibaudet, [illegible] Jan 31: Hagen Quartet. [illegible] 2: [illegible] Carlo. Feb [illegible] night [illegible] Maria Stuarda (No telephone bookings accepted. For information, call [illegible])

FLORENCE

■ [illegible] Chamber Orchestra [illegible] Europe tonight [illegible] Pergola (055-277 [illegible])

■ Teatro Verdi presents [illegible] and [illegible] of Il [illegible] di Siviglia [illegible] the [illegible] three [illegible]. Paisiello's [illegible] on Sun for [illegible] performances with a [illegible] by [illegible] Barbaux and Luca [illegible]. The Rossini opens on Feb [illegible] with a [illegible] including [illegible] and Claudio Desderi (055-277 [illegible])

GENOA

Teatro [illegible] Felice [illegible] 22, 23, [illegible] 27, [illegible] with alternating [illegible] including [illegible] Dimitrova and Leo Nucci (010-589329)

LONDON

THEATRE

■ The Skriker: a new play by Caryl Churchill, [illegible] by [illegible] with music by Judith Weir and movement by Ian Spink. Starts previewing tonight in [illegible] Co[illegible], opens next Thurs (National 071-928 2252)

■ Machinal: Fiona Shaw stars in Stephen Daldry's production of Sophie [illegible] play about [illegible] young [illegible] driven [illegible] murder. In repertory [illegible] Lyttelton with Sondheim's musical comedy Sweeney [illegible] (National 071-928 [illegible])

■ Unfinished [illegible] Stephen Pimlott [illegible] Hastings' new play for [illegible] RSC. Just opened (The Pit 071-638 8891)

■ [illegible] Shakespeare's [illegible] king, in [illegible] production [illegible] by Adrian Noble (Barbican 071-638 [illegible])

■ An [illegible] Turkey: Felicity [illegible] Griff Rhys Jones in a Peter Hall Company production [illegible] Feydeau's [illegible] (Globe 071-494 [illegible])

● Piaf: Elaine Page [illegible] in Pam Gems' musical play about the life [illegible] of Edith [illegible] by Peter Hall (Piccadilly 071-867 1118)

● [illegible] Mendes [illegible] the [illegible] modern musicals, with Jane [illegible] as Sally [illegible] and Alan Cummings as Emcee at the [illegible] (Donmar [illegible] 071-867 1150)

MUSIC/DANCE

[illegible] Garden Jeffrey Tate [illegible] of [illegible] Royal Opera's production [illegible] Carmen, with Denyce Graves, Leontina Vaduva, [illegible] Shicoff [illegible] Barseg Tumanyan (till [illegible] 2). Christian Thielemann conducts a [illegible] next Wed, with Eva Marton, Marjana Lipovsek and [illegible] (till Feb 17). The Royal Ballet [illegible] – [illegible] and Juliet (till Jan 25) and Mayerling [illegible] 5). Opera North brings [illegible] production [illegible] Gloriana on Feb 7 and 10 (071-240 1066)

[illegible] ENO [illegible] of Nicholas Hytner's production [illegible] with [illegible] led by [illegible] Yvonne Kenny (till [illegible] 24), [illegible] Fledermaus with Vivian Tierney as Rosalinda (till Feb 10) and a final performance tonight [illegible] Smetana's The Two [illegible]. Jonathan Miller's new production [illegible] Rosenkavalier opens on Feb 2 (071-836 3161)

South Bank [illegible] Final performances of [illegible] Stevenson's English [illegible] Ballet production [illegible] The [illegible] tonight, tomorrow and [illegible]. Tonight (QEH): The [illegible] sing Purcell. Mon: Franz [illegible] LPO in music by Schumann [illegible] Strauss family. Tues: Paolo Olmi conducts Verdi's Requiem. Wed: Jochen [illegible] counter-tenor [illegible] with Academy of [illegible] Martin in the Fields. Next Thurs: LPO plays new Jonathan Lloyd work (071-928 8800)

Barbican This weekend [illegible] of John Tavener, in [illegible] of his [illegible] birthday. Performances [illegible] place at the Barbican, Westminster Abbey and Westminster Cathedral, [illegible] BBC Symphony Orchestra under Gennady Rozhdestvensky, BBC Singers and Chilingirian Quartet. [illegible] Stephane Grappelli. [illegible] Thurs: Previn [illegible] (071-638 [illegible])

MADRID

Auditorio Nacional de [illegible] Tonight: [illegible] Orti trumpet recital. Tomorrow, Sat, Sun: [illegible] conducts Spanish National Orchestra in works by Maseda, Stravinsky and Tchaikovsky, with piano [illegible] Jean-Bernard Pommier. [illegible] Tues: [illegible] recital (01-337 0100)

Teatro Lirico [illegible] Zarzuela [illegible] Antoni [illegible] conducts [illegible] night [illegible] Pilar Miro's production of [illegible] Freischütz, with Poul Elming, Siegfried Lorenz, Ekkehard Wlaschiha and Eva Johansson. Repeated Jan 24, 26, [illegible], 30 (01-429 8225)

MILAN

Teatro alla [illegible] Tonight, Sun afternoon, next Tues, Wed, Fri: Riccardo Chailly conducts Giancarlo [illegible] production of The Fiery Angel, with Galina Gorchakova, Sergei Leiferkus and [illegible] Burchuladze. Tomorrow, Sat, [illegible] Thurs [illegible] Nureyev production [illegible] Sleeping Beauty. [illegible] Filarmonica della [illegible] (02-7200 3744)

NAPLES

[illegible] delle Palme Tonight: Leonid [illegible] violin [illegible]. Next Fri: Hagen Quartet (081-406011)

Teatro [illegible] Carlo Tomorrow, Sun, [illegible] and [illegible] La [illegible] with Giusy Devinu, Vincenzo La [illegible] and [illegible] Servile (081-797 2331)

PRAGUE

Hideaki Muto [illegible] Radio Symphony Orchestra in works by Verdi, [illegible] Tchaikovsky [illegible] Tues in Dvorak Hall. Martin Turnovsky conducts Prague Symphony [illegible] in works by [illegible] Eben, [illegible] and Janacek [illegible] Wed in [illegible] Hall (02-232 2501). The [illegible] Czech Philharmonic [illegible] are on Jan 28 and [illegible] (02-286 0111)

ROME

[illegible] Olimpico Tonight: [illegible] Quartet plays [illegible]. Thurs: Hagen Quartet (06-320 1752)

Teatro [illegible] Sun, Mon, Tues: Krzysztof Penderecki conducts [illegible] and Chorus [illegible] Accademia [illegible] in Dvorak's Requiem (06-678 0742/ 06-6880 3794)

Teatro Il [illegible] Sun: I Virtuosi di [illegible] play chamber music by Mozart, [illegible] and Naumann. Jan [illegible] Pekinel [illegible] (06-5734 4664)

Universita La Sapienza [illegible] Cherubini Quartet plays string quartets by [illegible] and Schumann. Jan [illegible] Lynn Harrell (06-361 0051)

TRIESTE

[illegible] Communale Tonight: first night [illegible] new production [illegible] Der Freischütz. Runs daily [illegible] alternating [illegible] till [illegible] 1, except Jan 24, 27, [illegible] 31 (040-6722 111)

VENICE

Teatro La Fenice The [illegible] opera production [illegible] John Schlesinger's [illegible] Garden staging [illegible] d'Hoffmann, opening Feb 3 [illegible] six performances (041-521 0161)

ARTS GUIDE

Monday: Berlin, [illegible] York [illegible]
Tuesday: Austria, Belgium, [illegible] Switzerland, Chi[illegible] Washington.
Wednesday: France, Germany, Scandinavia.
Thursday: Italy, Spain, Athens, London, Prague.
Friday: Exhibitions Guide.

European Cable and Satellite Business TV

(Central European Time)

MONDAY TO FRIDAY
Super Channel: European [illegible] Today 2230; repeated [illegible] 0715
MONDAY
Super Channel: FT Reports [illegible]
TUESDAY
Super Channel: [illegible]
Euronews: FT Reports 0745, 1315, 1545, [illegible] 2345
WEDNESDAY
Super Channel: FT Reports 1230
THURSDAY
Super Channel: West [illegible] 1230; FT Reports [illegible]
[illegible] 0745, 1315, 1545, 1845
FRIDAY
Super Channel: FT Reports 1230
Sky News: FT Reports 2030
SATURDAY
Sky News: 0330; 1330
SUNDAY
[illegible] Channel: FT Reports 2230
Sky News: FT Reports 1730; 0430

A not inconsiderable similarity, oh yes

BOOK REVIEW

THE GLOBAL MARKETPLACE: CAPITALISM AND ITS FUTURE
By John Redwood
HarperCollins. £18. 243 [illegible]

John Redwood [illegible] reputed to [illegible] one of the "bastards" in John Major's cabinet whom the prime minister [illegible] because he might cause more trouble outside than in. Here is a Redwood [illegible], written just before he entered the [illegible] as [illegible] secretary last year.

Save on one subject, [illegible] could yet be lethal, [illegible] evidence is that Mr Major [illegible] nothing to fear. Indeed it seems unlikely [illegible] a prime minister who [illegible] cabinet changes so seldom, and none of them sweeping, could deliberately introduce [illegible] with whom [illegible] would [illegible] *loggerheads* [illegible] all [illegible] otherwise, it would look like carelessness. [illegible] striking [illegible] to [illegible] from [illegible] how, on most subjects, Redwood, the [illegible] of All Soul's, [illegible] Major, [illegible] leader without any academic *qualifications, think* alike.

Ignore the slightly pretentious title, *The [illegible] Market-Place*, [illegible] the much [illegible] pretentious subtitle, *Capitalism and its Future*. This is not a [illegible] about economics, [illegible] of life. [illegible] capitalism [illegible] into it only in [illegible] sense [illegible] modern communications and [illegible] free-ish trade system make it possible [illegible] operate [illegible]cessfully [illegible] great [illegible]trations [illegible] labour. In another [illegible] the [illegible] would [illegible] "small [illegible] beautiful", though perhaps with an [illegible]arching international framework.

On social policy, Redwood observes the conventional pieties. "Popular capitalism" – incidentally [illegible] of [illegible] previous [illegible] – "believes [illegible] there [illegible] role for [illegible]. The state should [illegible] guarantee [illegible] of pension and national insurance protection [illegible] all."

[illegible] thinks that [illegible] divide *between [illegible] and right over* public expenditure [illegible] taxation has become [illegible] than is sometimes assumed. "Right-wing parties accept [illegible] role of taxation in redistributing income and in financing public services for those in need ... The [illegible] is over degree and the correct mix." Denis Healey used [illegible] much the same thing [illegible] chancellor in the [illegible].

The phrase "back to basics" is [illegible] only once. Here again the prime minister [illegible] no need to worry. [illegible] applies it to education, not personal morality. Even then, he is strikingly liberal. While he favours [illegible] tilt [illegible] towards [illegible] "teaching, testing and measurement of results", he is sympathetic to allowing children [illegible] work "in a *relaxed atmosphere* [illegible] *their* [illegible] pace".

There [illegible] a more conservative [illegible] to his thinking. Redwood [illegible] no [illegible] in constitutional reform [illegible] kind. He thinks [illegible] British parliamentary system in its *present* [illegible] *than* [illegible] other. [illegible] that, while there should be more *local* government, any introd[illegible] *regional* government would be [illegible] threat [illegible] the [illegible] must therefore [illegible] opposed.

On [illegible] current [illegible] *of London*, he observes: "The [illegible]ment [illegible] committee to [illegible] sions that [illegible] *London-wide* [illegible] (transport, planning and development [illegible] just three [illegible] require such a [illegible]spective). [illegible] private forum [illegible] London will promote [illegible] metropolis as an international [illegible] business, [illegible] and inward investment." And that, [illegible] enough: no [illegible] Livingstones, no [illegible] in [illegible] central government [illegible] best.

[illegible] is also curiously sympathetic to [illegible] Labour party. [illegible] is [illegible] because [illegible] policies, though [illegible] admits [illegible] those have evolved. [illegible] is because he believes [illegible] firmly *in* [illegible] *two-party system*. The Labour party [illegible] be kept going, and occasionally [illegible] elected, if only to avoid the chaos of [illegible] hung parliament [illegible] coalitions. Such chaos, he suggests, is manifest all over the European continent.

At times, the [illegible] doctrine [illegible] sound harsh. "In advanced western societies," [illegible] writes, "[illegible] will [illegible] enough people [illegible] support, enough people from ethnic minorities, enough homeless, to forge a winning coalition from policies [illegible] try to deal with their specific interests. A winning coalition requires [illegible] of many [illegible] to work [illegible] time, [illegible] pay their taxes, who [illegible] for their old [illegible], who [illegible] not [illegible] the [illegible] intrusive."

In all [illegible], there [illegible] no reason [illegible] believe that the thoughts of John [illegible] much different from the [illegible] John Major. They [illegible], after all, both youngish Conservatives and members [illegible] same cabinet. Where they [illegible] *in turning* their [illegible] completely on [illegible]stitutional reform. [illegible] smaller parliament, for example? [illegible] it [illegible] begin to [illegible] like [illegible] to ignore [illegible] of [illegible] in the south of the country. [illegible] *party* [illegible] *scarcely* [illegible] in the course of [illegible].

[illegible] Major [illegible] fundamentally, however, [illegible] on Europe. [illegible] chap[illegible] on [illegible] European Community [illegible] sneering, dismissive [illegible] *arrogantly ignorant of* [illegible] that brought [illegible] continental countries together. "The [illegible] Kingdom in [illegible] early 1970s," [illegible] claims, "thought it was entering [illegible] arrangement." Nobody who [illegible] read the Treaty of [illegible] could conceivably have thought [illegible] thing. Since then, [illegible] argues, [illegible] Community [illegible] consistently got in the [illegible] of British interests.

There [illegible] elections [illegible] the European parliament in June. The Conservative party will [illegible] publish [illegible] manifesto. Cabinet ministers will have to campaign [illegible] try [illegible] prevent [illegible] significant loss of Tory [illegible]. The previous European elec[illegible] serious set[illegible] at [illegible] *polls suffered by* Margaret Thatcher. For [illegible] present prime minister, it could be worse. [illegible] is John [illegible] going to [illegible] in the campaign, and John Major too, [illegible] to that?

Malcolm Rutherford

I pity anyone trying [illegible] up [illegible] about [illegible] of [illegible] or any [illegible] on [illegible] of the spot [illegible] which [illegible] every few days. The industrial production index published [illegible] Monday looked like "boom, [illegible] Britain". Then [illegible] retail sales published yesterday [illegible] judged [illegible] "disappointing". This [illegible] instant judgement restarted misguided speculation on base-rate cuts, which served [illegible] government's purpose [illegible] they [illegible] a little bit of the [illegible] of [illegible] upward movement *in sterling*.

Some readers may remember my "Teenagers' Guides" to key indicators. Their main purpose [illegible] provide a do-it-yourself guide [illegible] interested readers. The first clue [illegible] familiar Whitehall warning not [illegible] a single month's figures on their own – which [illegible] not [illegible] ignoring them, [illegible] seeing [illegible] they have [illegible] previous trends. Another [illegible] is [illegible] together indicators [illegible] subjects.

[illegible] *important*, one [illegible] in particular series. An example [illegible] North [illegible] oil. [illegible] genuine part of UK output [illegible] not [illegible] mirage [illegible] more puritani[illegible] suppose. But it just so happens [illegible] oil output [illegible] in [illegible] jerky manner as rigs [illegible] and out of action. This bug [illegible] both [illegible] production [illegible] product.

I am [illegible] normally accused [illegible] partiality towards manufacturing; but for [illegible] the *index of manufacturing output*, which excludes energy, is [illegible] much better guide than the [illegible] of production. For [illegible] production index increased [illegible] an annualised rate of almost 5 per cent [illegible] the three [illegible] November. Manufacturing alone increased [illegible] annualised [illegible] of [illegible] cent, [illegible] 1.8 per [illegible] the same period [illegible] year before. The [illegible] somewhere [illegible] 2-3 [illegible] cent range.

This caution [illegible] be especially necessary when the Central Statistical Office's flash [illegible] of fourth quarter GDP [illegible] published tomorrow. Search for the estimate excluding [illegible] North [illegible] sector, and show [illegible] door to any adviser [illegible] analyst who overlooks the distinction.

The broad picture is already clear. [illegible] is of [illegible] economic recovery which [illegible] Clarke, [illegible] chancellor, says is no longer even patchy. Inflation remains subdued; [illegible] core rate, excluding excise duties as [illegible] well [illegible] mortgage [illegible] payments, [illegible] certainly fallen further.

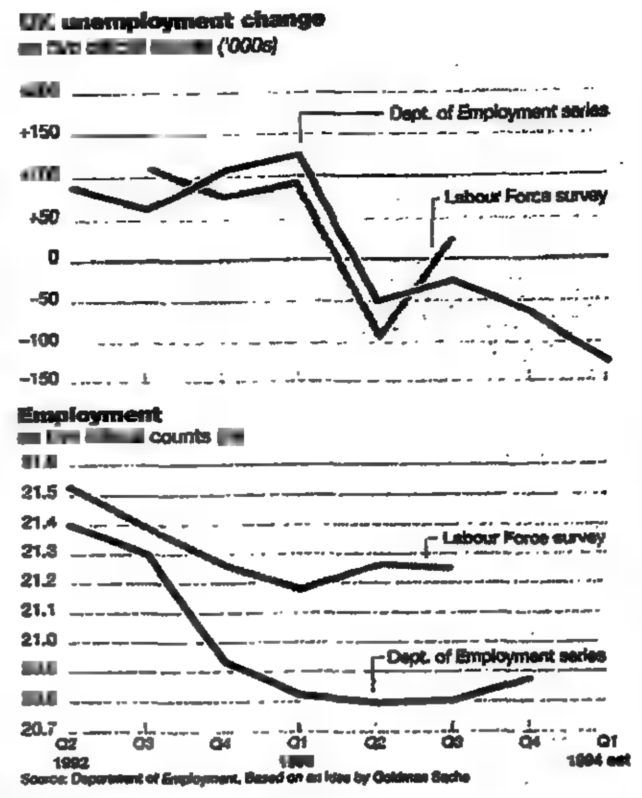
The big question [illegible] *how far* the delayed [illegible] increases imposed [illegible] the two [illegible] gets are going to depress [illegible]sumer spending. The Treasury Committee rightly criticised [illegible] fiscal presentation of the last [illegible] as being peculiarly difficult to fathom.

The adjoining table is [illegible] attempt [illegible] fill the [illegible] by [illegible] of the Committee's advisers, Bill [illegible]. He [illegible] that [illegible] spending cuts, up to and including 1995, [illegible] due [illegible] lower unemployment [illegible] inflation [illegible] previously projected rather [illegible] real reductions. But, even taking spending [illegible] their face value, tax increases are overwhelmingly more important in the government's [illegible] reduction plan.

ECONOMIC VIEWPOINT

The UK upturn is genuine, but . . .

By Samuel Brittan



Source: Department of Employment. Based on an idea by Goldman Sachs

The Committee's report emphasises [illegible]ity of the tax increases by saying they were equivalent [illegible] a 7 per cent [illegible] the basic rate. Martin on [illegible] other hand, *maintains that they* [illegible] increases in Geoffrey Howe's controversial 1981 Budget imposed at the trough of the earlier recession. The moral [illegible] draws is that [illegible] short-run impact of [illegible] large budgetary shocks can easily be outweighed by other business cycle forces. [illegible] time [illegible] believes that the delayed impact of the post-exchange [illegible] mechanism interest [illegible] will more than offset [illegible] contraction.

I make no apology for having opposed [illegible] large fiscal contrac[illegible] when the recovery seemed modest. But having [illegible] decreed such contraction then, [illegible] would be absurd for the authorities [illegible] counteract [illegible] by still further interest *rate reductions, until* the effects of [illegible] main direct tax [illegible] can be seen in the coming [illegible] year.

A much more controversial assertion of Martin is that [illegible] is little, if any, excess capacity so [illegible] for high growth rates is [illegible]. He [illegible] believes [illegible] despite [illegible] Budgets there [illegible] still a large [illegible] and [illegible] potentially catastrophic balance of payments. [illegible] advo[illegible] further large-scale [illegible] increases or public spending cuts [illegible] currency depreciation [illegible] favourable opportunities.

These matters [illegible] not merely uncertain, as [illegible] admits, but inherently unknowable. So let [illegible] on [illegible] capacity point and [illegible] relevance [illegible] the declining unemployment [illegible]. This is shown both by [illegible] Department of Employment's employer-based [illegible] and [illegible] new Labour [illegible] Survey (LFS). The unemployment [illegible] registered in [illegible] in [illegible] middle [illegible] year [illegible] almost certainly a blip [illegible].

[illegible] employment estimates lag well [illegible] unemployment claimants' count, it [illegible] impossible [illegible] be sure what produced the fall [illegible] the latter. Evidence in 1993 up [illegible] last summer [illegible] that there [illegible] net increase in jobs and not just a [illegible] of the [illegible] force registered [illegible] available for work.

Economic observers without political points to make have a special concern. [illegible] it is unusual to [illegible] either a drop in unemployment or a rise in employment [illegible] early in what [illegible] billed as [illegible] moderate upturn. David Walton of Goldman Sachs suggests that half of the difference compared with [illegible] 1980s represents a slower demographic growth of the labour force, leaving the other half still to explain. The most favourable interpretation [illegible] upturn [illegible] vigorous than the official figures so far suggest. In that case, and if it continued, the [illegible] of Martin's further [illegible] tightening. The [illegible] unfavourable interpretation [illegible] that productivity growth is already slowing down strongly.

The truth [illegible] be somewhere in [illegible]. The recovery [illegible] probably sharper than [illegible]. On the other hand, earlier productivity [illegible] were probably [illegible] by [illegible]mate of the [illegible], which has been picked up [illegible] the LFS.

The rise in employment [illegible] to last summer is more than accounted for by the increase in part-time jobs, most of which went to women. These [illegible] should not be scoffed at as second-rate or ungenuine. Only [illegible] per [illegible] respondents [illegible] LFS that they took these jobs for lack of [illegible] full-time one. But their spread does suggest that inflationary pressures in the labour market are much less than the headline unemployment figures suggest.

Bottlenecks in the present upturn are indeed more likely to arise from the capacity than the labour side. Unfortunately most studies of capacity relate to manufacturing, which is less than a quarter of the total economy. Capacity in the rest of the economy is much more elusive, as exchanges between officials and the Treasury Committee bring out, and no one has even really tried to measure it.

Taking both [illegible] exchange [illegible] factors [illegible] I analysed [illegible] and the domestic [illegible] case for either [illegible] loosening or tightening of policy now. But [illegible] the stance and the mix could need to be changed [illegible] the year goes on. Acting in time [illegible] be confused with [illegible] sin of fine-tuning.

Direct effect of Budget measures (% of GDP)

FY	1993	1994	[illegible]	[illegible]
Lamont	0.1	1.0	1.4	1.6
Clarke*	-	0.8	[illegible]	1.2
Total	0.1	1.8	2.3	2.8
[illegible]				
Tax [illegible]	0.1	1.3	2.1	[illegible]
Expenditure cut	-	[illegible]	0.2	0.4

* Excluding debt interest saving to ensure comparability with March Budget figures. Inclusive of stated debt interest saving, total fiscal package by 1996 is worth 3.0 % [illegible] GDP. Source: Treasury [illegible] Martin

LETTERS TO THE EDITOR

Number One Southwark [illegible]idge, London SE1 9HL
[illegible] 071 [illegible] *Letters transmitted should be clearly typed and not hand written. Please [illegible] fax [illegible] finest resolution*

Alarming view of past events

[illegible] Mr Andrew Stuttaford.

Sir, [illegible] article "Return [illegible] the Family" (January 14) [illegible] Holberton quotes [illegible] Tsang, [illegible] of a "pro-Beijing" grouping within Hong Kong, describing his [illegible] visit to China, an event that [illegible] place in [illegible]. "It was love [illegible] sight. I talked [illegible] older people [illegible] to younger ones like [illegible]. They were all inspired by some higher goals [illegible] were simply lacking in Hong Kong."

It is perhaps worth recalling [illegible] 1966 saw the beginning of the cultural revolution. People [illegible] well [illegible] been inspired by Mao's contrived fanaticism, but [illegible] visible "higher goals" were the persecution [illegible] *slaughter* of *imaginary* "class enemies".

Mr Tsang's enthusiastic [illegible] might, perhaps, have been understandable in [illegible] over-excited 19-year-old. The fact that, nearly 30 years later, [illegible] without apparent remorse, [illegible] and by implication even [illegible] those feelings is repellent. Given [illegible] Mr Tsang [illegible] presumably achieve some power in post-1997 Hong Kong, it [illegible] also highly alarming, at least for [illegible] who [illegible] unfortunate enough to live under him.

Andrew Stuttaford,
245 Park Avenue,
New York,
NY 10167,
US

All just an illusion?

[illegible] Mr Richard Kevern.

Sir, Joe Rogaly appears to have left [illegible] FT and joined the Socialist [illegible] ("It *is* [illegible] moral issue", January 18). Apparently [illegible] Anglo-American capitalism is good [illegible] is smashing everything [illegible] pouring scorn on professors [illegible] social workers.

Clearly, *the failure of collectivism* and the success of free market capitalism worldwide is an illusion foisted on us by the evil Thatcher and her cronies. Come back the 1970s, all is forgiven!

Richard Kevern,
14 Wraysbury Park Drive,
Emsworth,
[illegible]

Why it is right to link trade policy to labour standards

From [illegible] John [illegible]

Sir, Your editorial, "Mr Clinton's trade agenda" (January 14), arguing [illegible] it [illegible] wrong [illegible] link trade policy [illegible] the observance of minimum labour [illegible]dards, [illegible] the point.

The Trades Union Congress has [illegible] clause in [illegible] agreements [illegible] some of [illegible] worst abuses [illegible] workers' rights, including forced labour and cruel exploitation [illegible] children. [illegible] national [illegible] union [illegible]tions, in industrialised and developing countries alike, we want [illegible] eliminate appalling situations such as [illegible] which prevail, for example, in China, where in four separate factories in [illegible] months [illegible] than 220 workers have been killed in [illegible] and explosions.

Where such abuses [illegible] linked [illegible] trade, [illegible] use trade instruments to address them and we would [illegible] asking anything more [illegible] have already [illegible] themselves to through their membership [illegible] International Labour Organisation.

Your [illegible] is right to [illegible] this would [illegible] eliminate the competitive [illegible] posed by cheap labour [illegible]. But [illegible]. Rather, [illegible] at encouraging a positive improvement [illegible] employment conditions in the exporting countries. [illegible] a con[illegible], it would [illegible] help [illegible] distribute the benefits [illegible] more fairly within [illegible] countries themselves, ultimately benefiting their [illegible] growth and the expansion of world trade generally.

If [illegible] a danger that [illegible] social clause could [illegible] excuse for protectionism, as your [illegible] suggests, then [illegible] arises for each country [illegible] group of [illegible] acting on its own. [illegible] avoiding the protectionist danger would [illegible] reach agreement on a multilateral basis, through the General Agree[illegible] on Tariffs and [illegible] machinery which [illegible] developing countries, rather than to ignore the problem altogether.

John Monks,
general secretary,
[illegible] Congress,
Congress House,
Great Russell Street,
London WC1B 3LS

A desirable reform

From [illegible] John Wyles.

Sir, Why would it [illegible] "unthinkable" for member [illegible] farmers for price reductions [illegible] treasuries? [illegible] Terry Wynn MEP (Letters, January 18) [illegible] be [illegible] "renationalise" the Common Agricultural Policy. On [illegible] contrary, [illegible] could [illegible] part [illegible] a highly desirable [illegible] other main [illegible] steady reduction in EU farm prices until they [illegible] in line with world prices.

[illegible] *impact* [illegible] – mainly those operating small, barely profitable holdings – [illegible] a [illegible] problem requiring [illegible] policies to [illegible] by [illegible]. Why [illegible] should [illegible] EU embrace Mr Wynn's idea of one-off transferable [illegible] compensate farmers when it [illegible] never dream [illegible] benefit [illegible] any other victims of *industrial* [illegible]*tructuring?*

The [illegible] environmental objectives [illegible] agriculture [illegible] no longer being served by the CAP. If [illegible] left to member governments, subsidiarity would be made flesh and national democracies strengthened. Responsibility [illegible] agricultural trade would [illegible] with the Union, [illegible] application [illegible] competition policy. The EU would become a good world citizen, surpluses would disappear, environmental damage be much reduced, a [illegible] rows [illegible] member [illegible] eliminated [illegible] a major [illegible] removed [illegible] membership of the Union for central [illegible]ern European countries.

John Wyles,
European Communications,
79 [illegible] des Nerviens, Bte 1,
[illegible] Brussels, Belgium

Beyond the short term

From Mr David Howell MP.

Sir, In your editorial, "The case for lower rates" (January 13), you come quite close to suggesting that short-term interest [illegible] should be [illegible] for short-term political pur[illegible].

Surely [illegible] have moved on from all that. My understanding [illegible] short-term [illegible] changes [illegible] now [illegible] predominately by the monetary authority – and [illegible] good thing too. [illegible] should be *de-politicised as* [illegible] *possible*, although [illegible] break can never be complete.

Ultimately, as your editorial rightly concludes, the answer is greater bank independence *à la française*.

In the meantime, I hope that [illegible] adjusting [illegible] in [illegible] political flows and eddies is buried, as it should [illegible] long ago.

David Howell,
[illegible] of Commons,
[illegible]
[illegible] 0AA

Warranty issue to be considered

From Mr Dermod Hill.

Sir, Your report headed "OFT [illegible] probe [illegible] electrical warranties" (January [illegible]) is premature and [illegible] misleading.

The director-general [illegible] fair trading has [illegible] by government ministers to consider whether the practice [illegible] some [illegible] promoting their [illegible] extended warranty schemes [illegible] investigated [illegible] breach [illegible] the [illegible] Trade Practices Act. This was alleged in a [illegible] parliamentary ques[illegible] *by Mr Nigel Griffiths MP*.

The Office [illegible] Fair Trading [illegible] therefore considering the [illegible] and [illegible] director-general will [illegible] a conclusion in [illegible]. Your report [illegible] we are making inquiries with [illegible] view [illegible] launching [illegible] investigation pre-empts [illegible] position which [illegible] to determine whether or not an investigation is necessary.

Dermod Hill,
head of information,
Office of Fair Trading,
Field House,
15-25 Bream's Buildings,
[illegible] EC4A 1PR

FINANCIAL TIMES
Number One Southwark Bridge, London SE1 9HL
Tel: 071-873 [redacted] Telex: 922186 Fax: 071-407 5700
Thursday January 20 1994

First blood in red tape war

Red [redacted] is like jungle undergrowth. From time to time, politicians hack it back in their frustration. But as soon as their attention [redacted] distracted, [redacted] red tape creeps back again.

The British government yesterday announced measures, including a deregulation bill, designed to put its campaign against red tape on a permanent footing. Not only have ministers drawn up a hit-list of regulations to be scrapped. Procedures are to be adopted to stop regulation creeping back.

Cutting red tape is important if business is to be free to focus on wealth creation. Small businesses, in particular, find constant form-filling saps their energy and [redacted] them [redacted] running [redacted].

Much [redacted] the blame [redacted] over regulation has [redacted] Brussels. But Whitehall is as big a culprit, [redacted] elaborating European directives with [redacted] prescriptions. There is [redacted] a tendency to respond to the latest scandal or disaster by drawing up regulations without [redacted]ing costs. The result is that, [redacted] the [redacted] have promised to [redacted] since they came [redacted] in 1979, regulation is more pervasive than ever.

[redacted] for a new approach. The centrepiece of [redacted] is a plan for ministers to be given so-called Henry VIII powers allowing them to [redacted] many regulations without having to [redacted] new primary legislation. [redacted] procedure is to clear out the accumulated [redacted] rules [redacted] clogging up the parliamentary [redacted].

[redacted] measures [redacted] a promise that [redacted] regulations will be subjected to a "small business litmus test". This will involve consulting with [redacted] three typical small firms to ensure that the [redacted] of complying with rules [redacted] outweigh the benefits. [redacted] will also [redacted] a [redacted] deregulation [redacted] under Mr Francis Maude, the former junior minister, to drive [redacted] initiative forward.

The most controversial [redacted] is undoubtedly the proposed Henry VIII [redacted]. [redacted] ment has sought to [redacted] criticism that it is seeking to rule by [redacted] by building in safeguards over how this [redacted] will be [redacted]. [redacted] a regulation is scrapped, there will be public consultation, a breathing space of 60 days [redacted] in both [redacted] of parliament. While this procedure will [redacted] the sting out of criticism that ministers are behaving undemocratically, [redacted] be [redacted] accountability. For example, a new [redacted] committee or standing committee for deregulation could be established to scrutinise ministerial proposals in detail.

By contrast, the government's hit-list of regulations to be [redacted] is not that controversial. [redacted] useful, such as the promise to [redacted] compulsory audits for companies with a turnover of under £90,000, have already been announced. Other proposals, such as that permitting [redacted] to open on Sundays, are small beer.

The main political fights will [redacted] ministers address health and safety regulations. [redacted] yesterday [redacted] the government is still waiting for conclusions from a Health and Safety Executive study. While ministers [redacted] they are not deliberately ducking the issue, the absence of specific proposals in this area should certainly help [redacted] the [redacted] of the legislation.

Though the government has taken a welcome first step in its deregulation initiative, there is no guarantee of [redacted]. The challenge will be to maintain [redacted].

Old thinking

In December 1992 Mr Andrei [redacted], the Russian foreign minister, stunned the world with a fiercely nationalistic speech. He [redacted] renounced previous pro-western policies, demanded an end to the arms embargo on Serbia, and accused western countries of planning to strengthen their military presence in the Baltic and other regions "on the territory of the former Soviet Union".

Forty-five minutes later he announced that it had all been a hoax, intended to warn the west what sort of foreign policy it could expect if President Boris Yeltsin were to fall. Neither Mr Yeltsin "nor I myself, as minister for foreign affairs, would ever agree with what I read out in my previous statement", he added.

Not everyone saw the joke at the time, and it has become steadily less amusing since. The Mr Kozyrev who is still foreign [redacted] in [redacted] more like [redacted] "hoax" [redacted] the "real" Mr Kozyrev [redacted] troops [redacted] not withdraw, [redacted] Tuesday, from regions "which have been in the sphere of Russian [redacted] for centuries".

Both main Russian [redacted] agencies reported this statement [redacted] including the Baltic states, which would [redacted] directly [redacted] given to President Bill Clinton by Mr Yeltsin last week. Let us hope the agencies were mistaken, [redacted] Mr Kozyrev's [redacted] yesterday [redacted] they were. Even so the language [redacted] is chilling, as is the blithe assumption that Russian interests must prevail over the wishes of neighbouring [redacted] which Russia has recognised as sovereign. If Mr Kozyrev wanted to put the case for [redacted] enlarged Nato, with guarantees [redacted] that feel threatened by Russia, he could hardly have done it better.

Strife in Mexico

The new year rebellion in southern Mexico has subsided for the moment, but the aftershocks will reverberate beyond presidential elections [redacted] in August. Unless Mexican [redacted] the right conclusions about their authoritarian political system, the remarkable economic progress they have [redacted] in recent years will be in jeopardy.

It is no [redacted] that the [redacted] uprising [redacted] in the [redacted] of Chiapas, Mexico's most oppressed and impoverished corner where the ruling [redacted] Revolutionary Party regularly polls 90 per cent of electoral votes. The events are a reminder that [redacted] of Mexico [redacted] away from the image of a modern society that President Carlos Salinas [redacted] as part of his campaign to secure the North American Free Trade Agreement. They underline that many [redacted] have been left behind by his economic reform programme and remain deeply suspicious of it.

Mr Salinas must take his share of responsibility for the strife. He ignored indications of impending insurgency, apparently [redacted] of drawing [redacted] to an [redacted] that could have [redacted] the Nafta vote last November in the US. He tolerated one of the most autocratic state governments in Mexico, which repressed, sometimes brutally, even peaceful opposition. It was he who a year ago promoted the [redacted] governor - the hardline Mr Patrocinio Gonzalez Garrido - to head the country's interior ministry.

The president has now sacked Mr [redacted]. His initial [redacted] - to respond the uprising by military force - has given way to a more conciliatory approach, encouraged [redacted] by the international scrutiny that has followed [redacted] attempt to integrate Mexico [redacted] the world economy.

But Mr Salinas and his designated candidate for the presidential elections, Mr Luis Donaldo [redacted], used to [redacted] fundamental [redacted] from the uprising. The conditions that led to the crisis in Chiapas are to a greater or lesser extent present in the rest of Mexico. Whatever Mr Salinas's [redacted] in economic reform, much of Mexico's public administration remains arrogant, corrupt and unresponsive to popular needs. [redacted] more, [redacted] have few rights of redress against the excesses of government. The legal system is arbitrary, inefficient and under the government's thumb.

Mr Salinas has tried to draw a [redacted] line [redacted] the former and tried to fend off the latter. But Chiapas shows economic development in Latin America cannot be superimposed on to a political [redacted] which in [redacted] ways [redacted] on the feudal. International [redacted] - [redacted] to Mexico's development - [redacted] countries riven by social strife. Mexico's authoritarian approach no longer supports the necessary task of modernising Mexico's economy - if it ever did. It has weakened the process and deprived it of legitimacy.

Surprisingly, Mr Colosio, the presidential candidate, has given no indication of his views on the current crisis. He has [redacted] in the past about decentralising government, but - given [redacted] Chiapas [redacted] about the quality of Mexico's regional governments - that raises more questions than it answers. He [redacted] to give a lead now, one that points Mexico firmly towards true democracy and respect for the rule of law. Without such an initiative, the spectre of social upheaval will continue to threaten Mr Salinas's bold attempt to modernise his country.

Mud-flinging finds vulnerable targets

The withdrawal of Clinton's defence-secretary nominee highlights White House troubles, says Jurek Martin

If the [redacted] of Bobby Ray Inman's acceptance last month of President Bill Clinton's offer to run the defence department was peculiar (he arrogantly [redacted] he had to [redacted] a "comfort level" with the president and then gratuitously [redacted] he [redacted] for George Bush), then his performance on Tuesday explaining why he was withdrawing the nomination was downright bizarre.

But sometimes messengers do come in strange forms. And in the near-paranoid rationale that Mr Inman [redacted] - accusing the media and politicians alike of a "modern McCarthyism" [redacted] saying that he was unwilling to accept the "garbage" of scrutiny that [redacted] with public service - there [redacted] be found some [redacted] that ought to trouble both the president and the Washington establishment.

Among them are the chronic problems the administration has in making [redacted] appointments, especially in the foreign and security fields; the [redacted] to which the minutiae of an individual's private life can be [redacted] disqualifications for government service; [redacted] phenomenon [redacted] president [redacted] snake-bitten, [redacted] string together for [redacted] than a few [redacted] a confidence-building [redacted] being stuck in [redacted] poisonous new controversy or another.

The [redacted] immediate [redacted] is Mr Clinton's [redacted] "comfort level" with the [redacted] military establishment, [redacted] awaiting a third secretary of [redacted] in a year. This is, after all, a president who never served in uniform [redacted] who opposed the war in Vietnam, [redacted] already asked much of his military - to end [redacted] on homosexuals, to cut its budget [redacted] bases, to realign [redacted] structure, to serve in [redacted] spots not always with clear direction, as in Somalia, and to cohabit, in Nato's Partnership for Peace, [redacted] the former [redacted].

[redacted] Aspin, the outgoing secretary, [redacted] thought [redacted] quite up to implementing [redacted] policies. Mr Inman, a [redacted] of the Navy, the CIA and the shadowy Washington intelligence community, was [redacted] universally [redacted] the perfect solution. Even though he had been out of government [redacted], he was always breezing into the capital from Texas, keeping his [redacted] alive, [redacted] glittering business [redacted] including association with James Guerin's International Signals and Controls, [redacted] a minor matter in the [redacted] Congress, because [redacted] thought it knew him.

Yet the truth seems to be that the Clinton team's knowledge of Mr Inman [redacted] to his [redacted] and [redacted] reputation. Perhaps the president [redacted] so proud of his own persuasive abilities, [redacted] warning signals when [redacted] two men [redacted] about the job. [redacted] perhaps the admiral [redacted] revealed [redacted] what he said on Tuesday: [redacted] his enthusiasm for military [redacted] and, in any case, had reservations about the [redacted] of [redacted] defence budget.

Whatever the reality, Mr Clinton [redacted] up with the [redacted] of both worlds: having nominated a man who [redacted] have been [redacted] in office, he [redacted] no [redacted] over his extraordinary second thoughts about taking the position at all. Presidents are not supposed to get themselves into this sort of bind.

As it now stands, the civilian command at the Pentagon is in disarray. The Aspin [redacted], never fully complete anyway, expected to be dismembered by Mr Inman [redacted] one of them, [redacted] Halperin, nominated [redacted] never confirmed [redacted] new peacekeeping [redacted] human rights division, had already fallen on [redacted]. The military side, too, is under the new management of General John [redacted]kashvili, chairman of the joint chiefs. The ship [redacted] happy, whether the men [redacted] wearing suits or uniforms.

The same is true, to a degree, of the state department, where prominent [redacted] have either [redacted] - Clifton Wharton, ex-deputy secretary, Samuel Lewis, ex-policy planning chief, and Warren Zimmerman, ex-[redacted] refugee [redacted] - or are hanging by a thread, like Tim Wirth. The former [redacted] from Colorado was appointed to run a new division for global affairs, [redacted] nomination is still held up by congressional conservatives, and Warren Christopher, secretary of state, is [redacted] in his growing turf [redacted] reorganisation, preferring instead a department run by regional [redacted] and [redacted] Strobe Talbott, the deputy secretary-designate.

Second, the Inman affair highlights the appalling selection problems the Clinton administration has encountered, many of its own making. Ever since Ms Zoe Baird, the first nominee [redacted] attorney general, fell foul of Nannygate a year ago, the White [redacted] running [redacted] of skeletons in closets, including, as Mr Inman noted, memberships of [redacted] politically correct. At the same time, it [redacted] continued [redacted] on putting [redacted] minority and women candidates for as many positions as possible.

The [redacted] of the background checks on prospective nominees [redacted] acquired a intrusiveness capable of discouraging those with [redacted] thicker [redacted] Mr Inman. Worse, the White House personnel [redacted] by Bruce Lindsey, [redacted] old presidential friend, and through [redacted] appointments [redacted] to the Oval Office, has [redacted] cruelly self-indulgent in allowing [redacted] up without [redacted], as any number of bitter [redacted] of Washington will attest.

Additionally, conservative politi[redacted] their [redacted] allies, copying the tactics of their liberal counterparts in the Reagan-Bush presidencies, have relentlessly pursued [redacted] they dislike - like Mr Halperin [redacted] Lani Guinier, nominated to [redacted] justice department's civil rights division. In the [redacted], they have discovered [redacted] the current [redacted] is not always prepared to fight for [redacted] it [redacted] on board. Thus, as it [redacted] its second [redacted], barely half of the nearly 1,000 senior jobs subject to Senate confirmation have been actually filled, a sorry record that [redacted] the administration's reputation in the capital no good.

Third, Mr Inman's assault on the press, specifically the New York Times and William Safire, its columnist, suggests [redacted] of two things: that he could not stand the heat of criticism - on the basis of his press conference an entirely reasonable conclusion and an indictment of the president for picking him for such an important position; or that media headhunting has lost all sense of proportion, which is at [redacted] arguable.

Mr Inman did not exactly help his own [redacted] by saying he believed there [redacted] unholy conspiracy between Senator Bob Dole, the Republican leader, and Mr Safire, whereby the politician would [redacted] trouble [redacted] his nomination and the columnist would [redacted] after the Whitewater affair, the tangled skein of the Clintons' Arkansas real [redacted] venture.

But their natural denial of any such complicity cannot disguise the fact that relations between the media, particularly the White House [redacted] corps, and the president are still sour, and [redacted] made no better in Europe last week by Mr Clinton's refusal to answer Whitewater questions. The White House media charm offensive, including remarkable access to the president's [redacted] and private movie theatre, has not succeeded, but perhaps it [redacted] could have in the current media mood. The tenor [redacted] much of the coverage of his European [redacted] was reflexively critical, [redacted] if many reporters have doubts about the seriousness of Whitewater they [redacted] now almost duty-bound to pursue this classic [redacted] chase.

This hostility still does [redacted] approach the current UK level, perhaps because Mr Clinton's poll standings [redacted] than twice as high as John Major's. But praising the president [redacted] popular in macho [redacted] circles, as witnessed this week in a singularly nasty [redacted] in the Washington Post [redacted] New Yorker magazine writer for producing "cream puffs" about the president's first year.

Mr Clinton [redacted] console himself [redacted] he [redacted] well rid of the bizarre Bobby Ray Inman, but he is still left with a problem. He may have no alternative but to follow the practice of Capt Renault in *Casablanca*, round up the usual suspects and hope that [redacted] of them actually wants the job. It is not a good way to start a [redacted] year in office.

Why the west must plug Russia's gap

PERSONAL VIEW

In spite of the soothing voices of the experts, it is time to start panicking about Russia. There is still time to stop the fascists from taking power. But if they do, [redacted] will, at the very least, have to [redacted] an extremely expensive policy of containment. Just as a botched [redacted] the first world war led to the second, so a botched [redacted] after the cold war will lead to a second cold war, unless Russia's transition to a reasonably [redacted] and stable society is managed successfully.

It is thus of vital western strategic interest to help Russians achieve this transition. The first thing to be done is to take western management of [redacted] to Russia out of the hands of the International Monetary Fund and the World Bank. The international financial organisations can continue providing technical support for the reforms, but the key decision [redacted] political - it is unfair to ask international bureaucrats, however talented, to make decisions requiring them to bend, if not violate, the operating procedures of their institutions.

Aid for Russia is politically motivated, and there should be little pretence it is otherwise. It should be large scale, of the order of $30bn a year for about five years, so that Russian voters will be clear that, if they vote in a fascist or nationalist-communist government, they will lose this aid and cause themselves significant economic loss. The aid should be in the form of grants - to avoid nationalist claims that Russia could improve its situation by repudiating its debt. Finally, it should be carefully politically targeted.

The west as a whole can afford such expenditure, which amounts to some 7 per cent of total western defence expenditure, or one-fifth of 1 per cent of [redacted] western [redacted] domestic product. It works out at about $50 (£30) per person a year.

It is not true that such aid can make no difference to the situation in Russia. At the current exchange rate, $30bn would increase Russia's GDP by some 12 per cent. Russian healthcare expenditure [redacted] about 3 per cent of GDP, while remaining social expenditure accounts for about 9 per cent.

A priority must be to improve the living standards of Russia's officer class, which voted massively for Vladimir Zhirinovsky, the ultra-[redacted] Liberal Democrat leader. Every married officer should [redacted] guaranteed a flat within five years. At present there are [redacted] of full colonels with [redacted] living in squalid two-room accommodation inside hospitals. With 250,000 commissioned officers in the army, the programme would cost less than $10bn.

It is of the most vital western strategic interest to help the Russians achieve a transition

A second vital [redacted] is to reduce the dangers of conflict on Russia's borders. This requires the economic, though not military, strengthening of Ukraine. The economic situation there is worse than in Russia, and economic and political collapse, which could suck in even a moderate Russian government, is a present danger. Ukraine [redacted] to need some $7.5bn worth of Russian oil and gas a year. Financing much of this would strengthen Ukraine and help [redacted] economically. A similar situation, though on a smaller scale, holds in the Baltics.

[redacted] most important thing is to control Russian inflation. For political [redacted], though, this must be achieved with less structural change at the beginning of the stabilisation than [redacted] occurred in central Europe. Inflation must be controlled, because [redacted] a month it is politically [redacted] for the incumbent government. Since prices do not [redacted] uniformly, large changes in relative prices and incomes cause [redacted] anxiety. High inflation [redacted] a big reason for the large vote for the authoritarian [redacted] in Russia. Moreover, it is unimaginable that the kind of [redacted] in new [redacted] which Russia needs if the economy is to improve will be forthcoming in such a chaotic environment.

Unfortunately, Russia cannot learn to live with inflation through widespread indexation, as some other countries have, because of the huge amount of expenditure financed by the inflation tax (the cost of inflation to those holding money). This is [redacted] per cent of GDP. Widespread indexation would eliminate [redacted] tax [redacted] of the inflation tax, accelerating inflation to astronomical levels.

The solution is for western aid to fill the gap. Only in this way can Russia achieve the politically necessary reduction in inflation while avoiding the politically perilous structural shock which would otherwise result from the required massive cutting of subsidies to state enterprises.

Jacek Rostowski

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OBSERVER

Bonndage and other vices

[redacted] Trichet, [redacted] of the newly independent [redacted] France, [redacted] of his plans to appear regularly [redacted] National Assembly, thus balancing the fact that he is no longer under the executive's thumb by making himself "democratically accountable" to the legislature.

[redacted] who [redacted] have thought that the [redacted] parliamentary [redacted] central bank's transmogrification would have [redacted] the German Bundestag? Is [redacted] taking independence a [redacted] literally?

Apparently it was just unfortunate that, owing to the assembly's crowded calendar, the [redacted] had to wait to testify at [redacted] until his February 2 [redacted] before the financial committee.

Still, [redacted] logistics, yesterday's [redacted] in [redacted] cannot but reinforce the unfortunate impression of Germany's out and [redacted] dominance of European monetary policy.

Credit where due

■ Sergio [redacted], chairman of Milan's soon to be privatised Banca [redacted] Italiana, [redacted] a ticklish [redacted]. Persuading cognoscenti in [redacted] in [redacted] prestigious BCI [redacted] is relatively simple, he reckons. [redacted] acquainted with [redacted] a tougher challenge, thanks to the displeasing acronymic similarity [redacted] BCI [redacted] BCCI, the ill-fated Bank of [redacted] & Commerce International.

"Whenever I see [redacted] George at the Bank of England, he always [redacted] my little joke," [redacted] Siglienti. "BCI - that's right, you're the one with only one C."

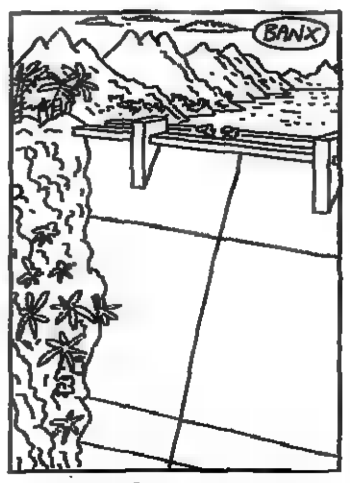
Off the record

■ It [redacted] John Major is holding another of his hush-hush fundraising dinners at Downing Street tonight for 15 or so heavy [redacted] of the business world. Let's hope, for the prime minister's sake, that it's a more profitable affair than [redacted] so-called private dinner for Gus O'Donnell, the prime minister's outgoing press secretary. Presumably, guests [redacted] only will keep their [redacted] but they will be required to open their cheque [redacted] after a decent interval, of course.

Basic instinct

■ Meanwhile, John Major's slogans [redacted] be confusing British MPs no end, but their continental counterparts retain clearer [redacted].

Wolfgang Schäuble, the wheelchair-bound but highly combative parliamentary [redacted] of Germany's [redacted]



'From [redacted] five military installations'

was talking [redacted] to counter a general [redacted] with politics. He lauded the [redacted] of national solidarity, traditional values and institutions.

[redacted] this back to basics à la Major, a British journalist wanted to know. "I can assure you [redacted] my marital relations are perfectly stable," [redacted] the speedy riposte.

Lankester bomber

■ Top [redacted] servants don't normally like to rile their prime ministers, but then Sir Tim Lankester is hardly a conventional bureaucrat. As [redacted] of Britain's Overseas Development Administration, Lankester [redacted] thumbed a nose [redacted] John Major by saying British taxpayers' money was wasted on Malaysia's Pergau dam project.

Lankester [redacted] long [redacted] habit of giving a straight answer to a straight question, which endeared him both to Jim Callaghan and Margaret Thatcher when he was their private secretary.

His [redacted] with third world [redacted] from his seven-year [redacted] as a World Bank [redacted]. An interest in development economics was sparked off by Arthur Lewis at [redacted] University [redacted] during a spell as a [redacted] in Belize. On returning [redacted] 30 years [redacted] was delighted to find that two [redacted] pupils were now governor of the central bank and permanent secretary in the [redacted] ministry.

The [redacted] of January [redacted] him moving to far [redacted] congenial waters, as permanent secretary at the Department of Education, where his role is to help [redacted] the neck of education secretary John Patten. Time for [redacted] straight talking?

Better late

■ Sir Tim Lankester's straight-talking [redacted] stuff compared with [redacted] outburst by David Marshall, just [redacted] in Singapore [redacted] 15 years as Singapore's ambassador in Paris.

Singapore-born [redacted] is unimpressed by modern Singapore and its ruling Peoples Action Party (PAP). His latest verdict is that censorship is worse, broader and more strict than at any time under British rule. He should know; he [redacted] chief minister of the first local government, formed under the [redacted] British colonial administration.

[redacted] berated Lee Kuan Yew, former prime minister of the island republic, for brushing aside public spiritedness and encouraging Singaporeans to worship the "golden calf" of financial gain.

Lesser diplomats might have [redacted] away from such bluntness, especially in a disciplinarian society like Singapore. But Marshall is a sprightly 85 and has probably given up hope of further diplomatic advancement.

Risky business

■ Dashiell Hammett [redacted] spinning in his grave. Preventing Homicide in the Workplace, published by the US National Institute for Occupational Safety [redacted] Health, has demolished the myth that being a gumshoe is the world's most dangerous profession. Taxi drivers run the greatest risk of being murdered at work. [redacted] the average annual murder [redacted] 27 in 100,000; [redacted] shot. The next most perilous jobs were liquor store workers, followed by petrol station [redacted]. Private detectives came a rather [redacted] fourth.

FINANCIAL TIMES
Thursday January 20 1994

UK carrier calls on Brussels to force the repayment of $254m

BA attacks Air France 'subsidy'

By Paul Betts, Aerospace Correspondent

British Airways yesterday launched a vigorous attack [illegible] Air [illegible] as it urged the European Commission to force the French state-owned [illegible] carrier to [illegible] a FFr1.5bn [illegible] capital injection, saying it constituted a subsidy in contravention [illegible] Treaty of Rome.

The UK airline's [illegible] an EU commission [illegible] due [illegible] recommend a policy on [illegible] to ailing European national airlines, [illegible] of which are [illegible] ing support from their governments.

BA and [illegible] UK government have campaigned against [illegible] tional [illegible] financially troubled European [illegible] carriers, which they argue are severely distorting [illegible] European airline market.

BA's objection [illegible] the Air France refinancing package now before the EU [illegible] approval for [illegible] government injections to Air France totalling FFr5.84bn during [illegible] and 1992.

The privatised UK carrier [illegible] worried [illegible] French government will soon [illegible] approval for further [illegible] Air [illegible] totalling [illegible] than FFr5bn as part of [illegible] latest [illegible] package for [illegible] French carrier.

Air France [illegible] night rejected BA's claims and insisted [illegible] FFr1.5bn injection involved [illegible] vertible [illegible] and [illegible] paper issued under normal market conditions.

It also stated that the earlier FFr5.84bn it had received involved FFr2bn in a government capital injection approved by the EU [illegible] not consisting of a [illegible] subsidy, with the remainder raised on the French financial [illegible].

Mr David Holmes, [illegible] head of government and industry affairs, said the current FFr1.5bn aid package "was [illegible] a commercial investment: it [illegible] state aid which [illegible] Treaty [illegible] Rome [illegible] should [illegible] given back".

[illegible] added [illegible] Air France's "financial salvation" should lie in [illegible] and not through [illegible] handouts "that [illegible] unfairly and illegally distorting Europe's air transport industry".

Although the funds [illegible] claimed [illegible] be required to finance earlier restructuring at Air France, BA [illegible] in a statement [illegible] there was no evidence of [illegible] such restructuring taking place.

"Air France's capacity continued to increase, [illegible] total workforce remained practically [illegible] its investment policy focused almost entirely [illegible] expanding [illegible] through [illegible] acquisition of [illegible] aircraft . . . ", BA said.

The UK carrier added that other European airlines had realigned themselves without the benefit of [illegible] financial support [illegible] Air France should do the same.

Elf sell-off

Continued from [illegible] 1

[illegible] preferential terms [illegible] employees and [illegible] employees [illegible] Elf [illegible].

In [illegible] demand, which occurred in [illegible] privatisations [illegible] Banque Nationale [illegible] Paris last October [illegible] Poulenc, the [illegible] in November, [illegible] will [illegible] a clawback option for individual investors [illegible] up [illegible] 20 per [illegible]. The number of shares [illegible] for institutional investors may also [illegible] increased, by up to [illegible] per cent, by [illegible] acquisition of [illegible] from Erap, [illegible] holding [illegible].

The French government [illegible] to retain, through Erap, [illegible] Elf's shares and [illegible] be a placement [illegible] shares with a group of long-term [illegible] investors. This group, known as a [illegible] dur will hold [illegible] 10 per [illegible] Elf's [illegible] is designed [illegible] protect [illegible] privatised group from predators [illegible] management stability.

Applications [illegible] participate in the group of [illegible] will close on Monday, [illegible] members are expected to [illegible] French [illegible] groups [illegible] des Assurances de Paris.

Clinton

Continued [illegible] 1

Although severe [illegible] is limited to [illegible] western and north [illegible] parts of [illegible] city, it is nonetheless overwhelming. The [illegible] Emergency Management Agency [illegible] it expected [illegible] spend [illegible] $1bn on repairs. The California Transportation Department [illegible] repairs to freeways will [illegible] least [illegible] an estimate that [illegible] expected [illegible] or triple.

Whatever the cost, it will [illegible] time – probably [illegible] – to undo [illegible] the forces [illegible] accomplished in [illegible] than a minute. On Tuesday, [illegible] began [illegible] ing quake-torn overpasses [illegible] Santa [illegible] and [illegible] freeways. Working around [illegible] clock, they hope [illegible] down the [illegible] in about a [illegible].

Interest rate fever sweeps London's financial markets

By [illegible] Norman, Emma Tucker and Philip Coggan [illegible] London

Retail sales and inflation results revive hopes for base rate cut

Interest rate fever swept London's financial markets yesterday [illegible] news of lower [illegible] expected [illegible] inflation in [illegible] revived hopes [illegible].

Equities [illegible] and closed [illegible] highs, led by [illegible] in medium-sized companies. Frantic buying pushed the FT-SE Mid 250 index [illegible] 3.4 per [illegible] the blue chip FT-SE [illegible] 1 [illegible] cent.

[illegible] of government gilt-edged stock staged a strong [illegible] of about 1 per cent. Sterling fell, dropping 1¾ pfennigs [illegible] London, as [illegible] yesterday's [illegible] slowing [illegible] ery might persuade [illegible] Kenneth Clarke, the chancellor of the exchequer, and the Bank of England [illegible] their decision last [illegible] hold [illegible].

Retail sales fell in volume by a seasonally adjusted [illegible] cent last month compared with November. Although [illegible] Central [illegible] year-on-year increase, [illegible] per cent, [illegible] the highest since July, [illegible] surprised the City which had [illegible] expecting a [illegible] robust [illegible] following reports from [illegible] bigger [illegible] of buoyant Christmas sales.

[illegible] hopes [illegible] further fuelled by yesterday's [illegible] of [illegible] retail prices index for December. Although [illegible] "headline" [illegible] inflation jumped [illegible] 1.9 per [illegible] from 1.4 per cent in November, the [illegible] was less than expected and meant [illegible] the [illegible] remained [illegible] 2 [illegible] cent [illegible] full [illegible] time [illegible] 1946. An [illegible] to 2.7 per [illegible] from [illegible] per cent in underlying inflation, which excludes mortgage interest payments, [illegible] City's [illegible] inflation [illegible] control.

[illegible] Treasury ministers gave [illegible] encouragement [illegible] hopes of lower interest rates yesterday. Mr Clarke [illegible] he [illegible] satisfied with [illegible] recovery, which [illegible] steady and strengthening. The government [illegible] want to stoke a short term [illegible] boom.

[illegible] Stephen Dorrell, [illegible] financial secretary to [illegible] Treasury, later told BBC radio [illegible] the government would [illegible] interest [illegible] deliver stable prices [illegible] continued good control of inflation.

[illegible] upturn [illegible] 12
[illegible] 21
Lex, [illegible] 14

Attack on red tape targets hundreds of UK regulations

By Tony Jackson [illegible] David Owen in London

The UK government yesterday announced a sweeping [illegible] on red tape, aimed [illegible] abolishing [illegible] changing 450 items [illegible] regulation. Areas [illegible] include shop opening hours, children in pubs, building society lending and [illegible] streamlining [illegible] on mergers. There will [illegible] be legislation [illegible] allow [illegible] contracting [illegible] public services in areas [illegible] it [illegible] presently illegal.

Mr [illegible] Heseltine, [illegible] and industry secretary, [illegible] the [illegible] deregulation and [illegible] ing [illegible] bill was "the [illegible] fire [illegible] taken place in modern times in this country". It would save industry "hundreds of millions [illegible] pounds, at a very modest assumption", he [illegible].

At Westminster, [illegible] bill [illegible] immediately attacked [illegible] of the [illegible] it would give ministers to amend or repeal [illegible] without primary legislation.

Downing [illegible] officials [illegible] ted [illegible] measure – originally flagged as an important part of a legislative programme designed to unite the Conservative party – [illegible] be "a difficult bill [illegible] get through". But they said [illegible] John Major, [illegible] prime minister, [illegible] confident [illegible] government's ability [illegible].

The bill [illegible] a requirement for [illegible] to [illegible] 40 days [illegible] laying [illegible] before parliament [illegible] submitting a final draft for parliamentary [illegible]. The government said this [illegible] period would allow [illegible] additional parliamentary scrutiny. New scrutiny [illegible] in the Commons and the Lords to perform this [illegible].

Mr Heseltine said there [illegible] pieces of legislation [illegible] would be appropriate [illegible] new [illegible]. A further 22 would need primary legislation.

Mr Francis Maude, a junior foreign [illegible] minister [illegible] losing his [illegible] the [illegible] election, has [illegible] appointed [illegible] of a deregulation [illegible] programme forward.

Government departments introducing legislation will have [illegible] consult two or [illegible] typical [illegible].

Editorial Comment, Page 13

THE LEX COLUMN

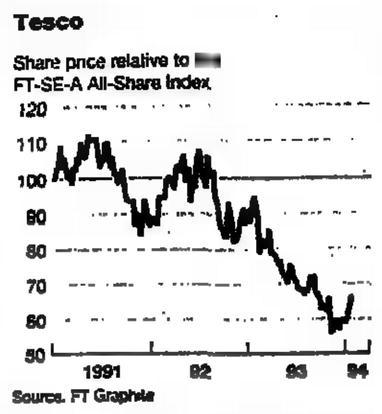
Tesco's choice cuts

Given that the market had already discounted Tesco's [illegible] values, [illegible] food retailer's move to depreciate its land and buildings comes as a belated recognition of reality. Tesco should have made the changes long [illegible]. Still, choosing the precise depreciation rate to apply to a superstore site is a tricky problem, given that none have [illegible] open long enough to judge [illegible] useful life. Tesco [illegible] been reassuringly conservative [illegible] implying that the [illegible] price paid for its land is twice [illegible] alternative [illegible] value.

This realism is welcome. But [illegible] scarcely makes the shares more attractive, despite the promises [illegible] scaled back capital expenditure and higher income growth. Having extracted £572m from shareholders three [illegible] ago, Tesco will now try [illegible] slip the cash back through higher dividends. Given the shares have underperformed [illegible] market by [illegible] per [illegible] since [illegible] fund-raising, [illegible] sensible thing [illegible] do. Tesco [illegible] afford to [illegible] dividends faster than earnings. But earnings [illegible] likely [illegible] nowhere. So unless pressures in the grocery market [illegible] or inflation [illegible] with a vengeance, Tesco's shares will [illegible] becalmed.

J. Sainsbury's response will [illegible] interesting. It may [illegible] tempted [illegible] exploit its market leadership and accelerate its store opening programme. Sites will [illegible] cheaper and the attrition [illegible] will [illegible] Sainsbury [illegible] competitive challenges [illegible] rest of [illegible] industry. It, too, will [illegible] under pressure to modify fair-weather accounting policies, [illegible] depreciate its [illegible] and buildings.

FT-SE Index: 3475.1 (+38.1)



Source: FT Graphite

UK economy

It [illegible] strange [illegible] the UK equity market should get into such a [illegible] yesterday's economic figures. Retail sales last month were certainly poorer than suggested by either the [illegible] retailers' gossip. [illegible] annual sales growth is still running at [illegible] per cent in volume terms. That [illegible] unlikely to drive the chancellor to an early interest [illegible] cut, [illegible] least while other economic indicators [illegible] pointing in the right direction. The December [illegible] figures should anyway be [illegible] cautiously. [illegible] Christmas poses particular problems [illegible] Office, as [illegible] large revision to the [illegible] 1992 [illegible] confirms.

Reassuring news on [illegible] might [illegible] the chancellor with more [illegible] turn for [illegible]. Underlying inflation of 2.7 per cent presents no immediate threat. That said, [illegible] the 14 categories in [illegible] prices [illegible] still rising [illegible] annual rate [illegible] more than [illegible] per [illegible]. Even allowing for [illegible] impact of higher [illegible] latest figures, [illegible] is a reminder that inflation has [illegible] subdued rather than vanquished.

With sterling sliding below DM2.61 yesterday, the chancellor does [illegible] to cut [illegible] hold [illegible] currency down. On that basis, [illegible] excitement [illegible] equities – including a 135-point [illegible] in [illegible] FT-SE Mid [illegible] – arose from something other than a [illegible] ment of the [illegible] outlook. If a widespread shortage [illegible] throughout [illegible] London [illegible] blame, that gain could quickly [illegible] reversed.

Bank of England

The Bank of England's new [illegible] chase operation seems [illegible] an acknowledgement [illegible] of the commercial [illegible] market. [illegible] tary objectives require [illegible] Bank [illegible] England [illegible] lend [illegible] private sector. Prudence requires the [illegible] lending against readily available collateral. Yet since [illegible] government's monetary manipulation of [illegible] early 1980s, when the Bank drained many of the bills from [illegible] market, [illegible] commercial bills traditionally [illegible] liquid. As a result, the [illegible] has become more [illegible] and adding money to the banking system has [illegible] more difficult.

One option would be to use gilts as collateral, though this might require the development of a [illegible]. Besides the tax complications of this, it could also undermine the existing stock lenders which [illegible] both the gilt and equity markets. That would have knock-on consequences [illegible] a [illegible] which would make [illegible] whether wholesale reform of that kind was worth the candle.

The Bank's inelegant but practical half-[illegible] house is to add medium-term gilt repurchases to the existing bill operations. This may hold the line for some time. This means that the Bank will continue to signal interest rate changes in the same way as before.

Nor will the fact that a [illegible] has recently been completed deter [illegible] Bank [illegible] changing policy, as some [illegible] all, an [illegible] was completed the [illegible] before the last interest rate cut. Volatility may also persist, given that [illegible] banks will still be able to throw their weight about. So a full switch to gilt [illegible] yet [illegible] to iron out the historical quirks [illegible] the money market.

Intel

Intel [illegible] getting into the habit of releasing results [illegible] unsettle the equity market. Yesterday's [illegible] in [illegible] shares following [illegible] of full-year figures was as great as the correction which greeted [illegible] third-quarter [illegible] in [illegible]. Slightly lower than anticipated earnings – [illegible] unexpected financing [illegible] to a new plant in Ireland – was the immediate cause. But it is a measure of the high expectations [illegible] growth prospects that even minor disappointments [illegible] such an upset.

The immediate question [illegible] whether [illegible] sell enough of its [illegible] Pentium microprocessors to justify [illegible] sunk [illegible] turing. [illegible] company's comment [illegible] terday [illegible] shipments [illegible] running to schedule is comforting. With capital spending running [illegible] a year, though, [illegible] chips [illegible] to take around 15 per cent of the [illegible] personal computer market this year if [illegible] is [illegible] make a decent return on that investment. Competition in the past generation of chips from AMD make it all the [illegible] important for Intel to [illegible] the market forward, particularly with IBM likely to enter the [illegible] before [illegible]. While Intel's [illegible] have outperformed the US market by 80 per cent over the last 18 months, the long term challenges [illegible] market [illegible] are only [illegible] to [illegible] momentum.

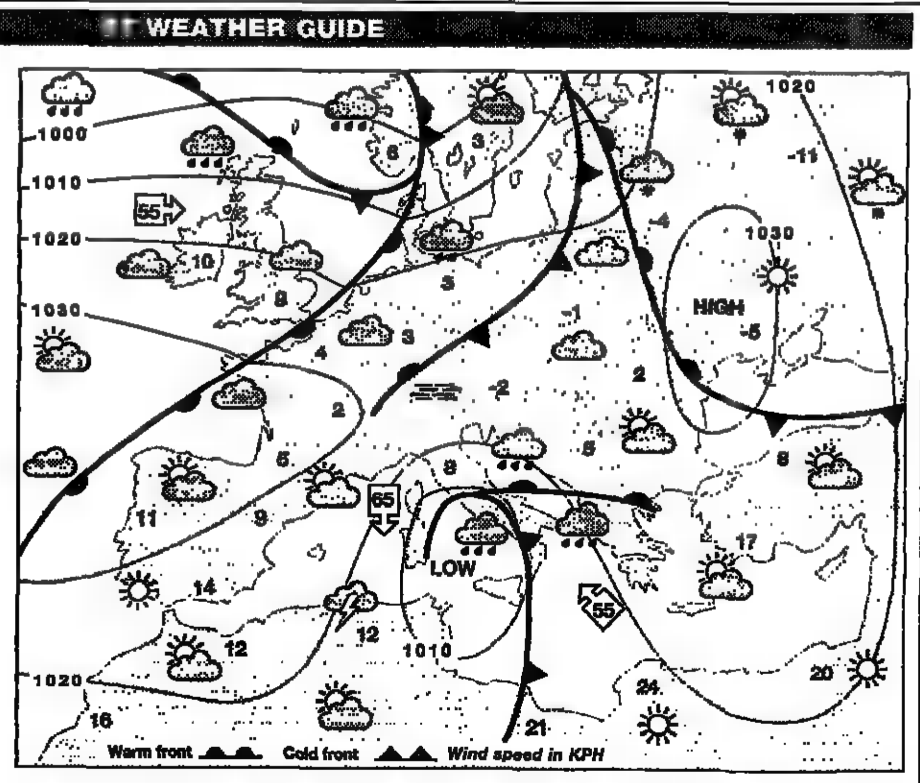
[illegible] WEATHER GUIDE

Europe today

Cloud [illegible] light snow will [illegible] with [illegible] Norway, [illegible] parts of Finland. The British Isles will be [illegible] with rain, especially along the [illegible]. The [illegible] north-western France will [illegible] cloudy with light [illegible] or drizzle. Central, [illegible] and [illegible] will [illegible] sunny periods [illegible] patches. The [illegible] Spain [illegible] Portugal will be sunny [illegible] temperatures will stay [illegible] low. The [illegible] Turkey [illegible] the [illegible] will have sun and [illegible] temperatures. Changeable [illegible] will [illegible] in Italy and the Balkans with heavy rain and snow in [illegible].

Five-day forecast

Rain and snow in Italy and the Balkans will move further east and will affect south-east Europe later [illegible] Spain, Portugal and [illegible] France will [illegible] will continue unsettled and wintry. The British [illegible] Benelux and north-west [illegible] will be very changeable. [illegible] Europe will [illegible] mainly dry.



Situation at 12 GMT. Temperatures maximum for day. Forecasts by Meteo Consult of the Netherlands

TODAY'S TEMPERATURES

	[illegible]		Belfast	rain	9	[illegible]	cloudy	9	Frankfurt	fair	0	[illegible]	shower	[illegible]	[illegible]	fair	30
	[illegible]		Belgrade	rain	6	Chicago	sun	[illegible]	Geneva	fair	-5	[illegible]	rain	9	Riyadh	[illegible]	20
Abu Dhabi	[illegible]	[illegible]	Berlin	[illegible]	[illegible]	Cologne	fair	[illegible]	Gibraltar	sun	14	[illegible]	cloudy	30	Rome	[illegible]	[illegible]
Accra	cloudy	[illegible]	Bermuda	cloudy	[illegible]	[illegible] Salaam	[illegible]	29	Glasgow	[illegible]	10	[illegible]	fair	[illegible]	S. [illegible]	fair	[illegible]
Algiers	thund	12	[illegible]	fair	[illegible]	Dakar	sun	23	Hamburg	fair	[illegible]	[illegible] City	[illegible]	[illegible]	[illegible]	[illegible]	-4
Amsterdam	drzzl	[illegible]	Bombay	[illegible]	[illegible]	[illegible]	[illegible]	11	Helsinki	fair	1	[illegible]	[illegible]	24	Singapore	cloudy	[illegible]
Athens	[illegible]	15	[illegible]	drzzl	4	[illegible]	[illegible]	22	Hong Kong	cloudy	22	Milan	rain	4	[illegible]	cloudy	1
B. Aires	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Dubai	[illegible]	[illegible]	Honolulu	[illegible]	27	[illegible]	cloudy	-14	Strasbourg	[illegible]	-5
B.ham	cloudy	10	C.hagen	[illegible]	3	[illegible]	[illegible]	10	Istanbul	[illegible]	12	[illegible]	snow	[illegible]	Sydney	fair	28
Bangkok	fair	35	Cairo	sun	20	[illegible]	rain	[illegible]	Jersey	cloudy	8	Munich	fair	1	Tangier	fair	14
Barcelona	fair	10	Cape Town	[illegible]	27	Edinburgh	cloudy	[illegible]	Karachi	[illegible]	[illegible]	Nairobi	fair	26	[illegible]	sun	22
Beijing	[illegible]	-1	[illegible]	cloudy	26	Faro	sun	14	Kuwait	[illegible]	20	[illegible]	rain	13	Tokyo	[illegible]	6
									L. Angeles	sun	[illegible]	Nassau	cloudy	24	Toronto	cloudy	-12
									[illegible]	[illegible]	[illegible]	[illegible]	snow	-9	Tunis	shower	15
									Lima	cloudy	[illegible]	[illegible]	windy	10	Vancouver	fair	9
									Lisbon	sun	11	[illegible]	sun	18	Venice	rain	6
									London	cloudy	9	[illegible]	[illegible]	0	Vienna	sun	1
									Lux.bourg	cloudy	-1	Paris	[illegible]	5	Warsaw	cloudy	-1
									Lyon	fair	[illegible]	Perth	sun	37	Washington	snow	-9
									Madeira	[illegible]	15	Prague	fair	-1	Wellington	fair	23
									Madrid	fair	9	Rangoon	fair	32	Winnipeg	fair	-16
									Majorca	fair	13	Reykjavik	[illegible]	3	Zurich	fog	-4

FINANCIAL TIMES
COMPANIES & MARKETS
Thursday January 20 1994

IN BRIEF

Volvo's board [redacted] focus on Renault

Volvo's new board will focus on talks with France's Renault on the future of their three-year-old alli- [redacted] Bert-Olof Svanholm, [redacted] chairman, said yesterday. Page [redacted]

Chazot emerges
Mr Georges-Christian Chazot is not a name familiar to the business community outside France. Eurotunnel's new French chief executive has just made his first trip through the tunnel which he must [redacted] turn into a profitable transport undertaking. Page 16

Irish eyes on Globex
When Globex, [redacted] troubled [redacted] exchange, attempts to relaunch itself later this year, it could face competition from a new exchange development in Dublin's International Financial Services Centre. [redacted] 17

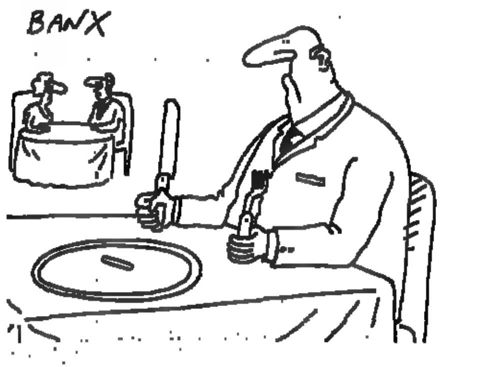
Honeymoon over for AMR
AMR, the parent of American Airlines, the second biggest US carrier, slumped into worse-than-expected after-tax losses of $253m in its fourth quarter after [redacted] brief period of profitability. Page 18

BankAmerica edges forward
BankAmerica, the California-based banking group, missed out on the big advances in earnings made by other big US banks in the final months of last year as income rose to $496m, or $1.21 a share, compared with $473m ($1.18) in 1992. [redacted]

Gencor's gold arm falls
A lower gold price and higher working costs pushed after-tax income at Gengold, the gold mining division of Gencor, down 7 per cent to R109.2m ($31.9m) in [redacted] December quarter. [redacted] 19

Greycoat returns from the edge
Greycoat continued its recovery from the verge of bankruptcy [redacted] operating profit [redacted] payments and pointed [redacted] a more optimistic future. Page 21

Rice price rise



European consumers will soon be paying [redacted] least 15 per cent more for rice because of poor harvests and crop failures in the main producing countries. Page 24

Nikkei rises above 19,000
Ign and domestic investors boosted the Nikkei [redacted] above the [redacted] level [redacted] first time since November 2. The expected passage of the political reform bill through the Japanese [redacted] house encouraged investors' hopes of an economic stimulus package. Back Page

Companies in this issue

Market Statistics

Chief price changes [redacted]

FRANKFURT (DM)			
Rises			
Allianz Ind	[redacted]	+	[redacted]
Beiersdorf	[redacted]	+	[redacted]
[redacted]	484	+	[redacted]
Lufthansa Pf	169	+	6.5
MAN	393	+	[redacted]
Falls			
Colonia Konzern	1400	-	90
NEW YORK ($)			
Falls			
BankAmerica	[redacted]	-	1⅛
Citicorp	[redacted]	-	1⅛
Digital	32⅜	-	3½
Merck	35⅝	-	⅞
Pfizer	62¼	-	5⅛
Schering-Plough	64⅝	-	[redacted]
PARIS (FFr)			
Rises			
Accor	720	+	35

Cred Lyon (CI)	[redacted]	+	34
Elf Aquit'n Cts	376.9	+	12.9
Gaumont (Sc N)	907	+	29
Lafarge Coppee	[redacted]	+	21.5
[redacted]			
[redacted]	693	-	28
TOKYO (Yen)			
Rises			
Japan Syo [redacted]	[redacted]	+	35
Minebea	539	+	39
[redacted]	907	+	63
Okuma Corp	750	+	48
Yokogawa Elec	921	+	90
Falls			
[redacted]	[redacted]	-	150

New York prices at 12:30.

LONDON (Pence)			
Rises			
Abbl Group	165	+	15
BM Group	39½	+	[redacted]
Baldwin	111	+	13
Beales Hunter	283	+	20
Brit Aerospace	416	+	25
Brit Land	473	+	44
Burn Stewart	138	+	[redacted]
Color Group	371	+	[redacted]
Central Motor	125	+	9
[redacted]	156	+	9
GWR	750	+	57
Glasson (MJ)	1000	+	60
Hill & Smith	201	+	11

Lon [redacted]	145	+	8
[redacted]	1162	+	62
Rugby	371	+	33
S & U	343	+	30
[redacted] A	980	+	150
[redacted]	774	+	36
Welsh Water	734	+	39
Wilson Bowden	669	+	35
Falls			
Barbour Index	218	-	15
Division Group	69	-	8
Rubicon	175	-	6

Digital shares fall sharply [redacted] loss

By Martin Dickson in New York

Shares in Digital Equipment fell sharply yesterday when the troubled US computermaker reported [redacted] quarter net loss [redacted] $72.1m – [redacted] than Wall Street had [redacted] expecting – and [redacted] drop in operating revenues.

The [redacted] ink, which worked through [redacted] 53 [redacted] share, was little changed from the [redacted] of $73.8m, or [redacted] cents a share, in the [redacted] period [redacted]. Analysts had [redacted] looking for earnings close to break-even. Digital's shares fell [redacted] by lunch- [redacted] in [redacted] York.

Digital, like International Business Machines, has [redacted] struggling to come to grips with fundamental changes in the computer market which have shifted demand away from [redacted] mini-computers [redacted] networks of much cheaper personal computers and workstations. These use "open systems" rather than proprietary software.

Mr [redacted] Palmer, [redacted] executive, is overseeing a restructuring programme which [redacted] had mixed results: [redacted] return [redacted] profits in the three months to [redacted] June, followed by [redacted] than expected losses in [redacted] the past [redacted] quarters.

Mr Palmer [redacted] dissatisfied with [redacted] quarter's [redacted] and [redacted] and [redacted] Digital [redacted] work [redacted] lower [redacted] costs, [redacted] and then [redacted].

"It took several [redacted] for [redacted] company [redacted] get into this situa- [redacted] and [redacted] is taking some [redacted] for us to [redacted] profitability and growth," he [redacted].

The [redacted] decline [redacted] attributed mainly to [redacted] continued drop in demand for the company's [redacted] ing VAX computer systems. Digital said its personal computer [redacted] continued to double in units, [redacted] on year, and showed strong double-digit revenue growth.

The important new line of Alpha [redacted] had also continued [redacted] good growth.

The [redacted] hit by unfavourable foreign currency [redacted] ments, weakness in the European [redacted] US economies, and [redacted] in product margins because [redacted] shift in the mix of sales to prod- [redacted] with lower profits, such as personal computers.

Mr William Steul, [redacted] financial officer, [redacted] the [redacted] had generated positive [redacted] from operations during [redacted] quarter and ended the period with [redacted] of $1.1bn, [redacted] $127m from the previous quarter.

For the six months to January 1, Digital reported a [redacted] of $155.3m, or $1.15 a share, compared with [redacted] loss of [redacted], or [redacted] share, [redacted] year.

McDonnell Douglas cost cuts pay off

By Martin [redacted] in New [redacted]

McDonnell Douglas, the US defence and aerospace group, yesterday reported a fourth quarter loss [redacted] $132m after tak- [redacted] a special $450m pre-tax charge for its C-17 aircraft [redacted] gramme.

Excluding the charge, McDon- [redacted] earnings rose [redacted] cent – in spite of the [redacted] of [redacted] civil aviation market.

The figures were [redacted] most analysts' expectations and repre- [redacted] further financial recovery of the [redacted] which two [redacted] ago [redacted] struggling with [redacted] heavy [redacted] burden, a contracting defence market and softening airliner sales. However, McDonnell fought back with [redacted] programme [redacted] costs, improve efficiencies and sell peripheral [redacted].

Yesterday it reported that [redacted] reached [redacted] six- [redacted] low [redacted] $1.63bn at the end of 1993, after a drop of [redacted] final quarter [redacted] $1.14bn in the year.

Fourth quarter earnings before charges [redacted] $143m, or $3.63 [redacted] share, up from $86m, or [redacted] share, [redacted] which fell [redacted] $3.63bn.

For [redacted] full year, earnings totalled $396m, or $10.10 [redacted] share, compared with $79m, [redacted] $2.03 [redacted] share in [redacted] excluding unusual items.

Mr [redacted] Lanese, finance [redacted] tor, [redacted] 1993 had been [redacted] pivotal year in which McDonnell had [redacted] its "survivability". It [redacted] demonstrate to [redacted] outside [redacted] that 1993 [redacted] not a fluke and that it was [redacted] "much stronger, [redacted] tion". He said analysts' esti- [redacted] of 1994 [redacted] per share [redacted] and [redacted] were [redacted]. [redacted] the end of this month [redacted] board would [redacted] the [redacted] dividend pay-out ratio, which he [redacted] edged [redacted] "low compared to [redacted] peers".

The C-17 charge, [redacted] the company foreshadowed in [redacted] and [redacted] worked through [redacted] tax at $275m, or [redacted] share, covers the [redacted] a settlement with the [redacted] government *in* [redacted] *dispute* [redacted] time and [redacted] in develop- [redacted] military transport.

Excluding the charge, fourth quarter earnings from McDonnell's military aircraft segment were [redacted] up from $112m. The commercial [redacted] broke even [redacted] the [redacted] segment made [redacted] in spite [redacted] in write-offs, up from $47m.

Michiyo Nakamoto and William Dawkins on [redacted] corporate lesson for others in Japan

Hanwa turns its back on speculation

News of [redacted] resolve [redacted] wash [redacted] hands of speculative financial transactions reverberated through Japan's business [redacted] financial community yesterday. [redacted] reminder of the [redacted] days [redacted] excess and the disastrous way it had all ended.

In [redacted] heyday, [redacted] leading player in [redacted] and [redacted] markets, [redacted] enjoyed a formi- [redacted] reputation. [redacted] huge [redacted] – hundreds of millions of dollars apiece – could [redacted] the currency market into pandemonium and banks scurrying for [redacted].

Speculative transactions increased under the leadership of Mr Shigeru Kita, who had [redacted] room [redacted] the company's Tokyo headquarters in Tsukiji, near the city's fish [redacted]. He [redacted] known as the god [redacted] or speculative [redacted].

Mr Kita, who took the helm in 1983, was widely regarded as a canny [redacted]tor, particularly [redacted] he correctly predicted [redacted] rise [redacted] the dollar in the early 1980s and its subsequent weakening in 1985. In early 1987 he [redacted] company funds [redacted] from [redacted] lative market transactions and [redacted] towards its core in time to [redacted] Hanwa from [redacted] the stock [redacted] crash.

Mr Kita had [redacted] the business – with [redacted] – [redacted] selling steel [redacted] a government scheme [redacted] in [redacted] aged Japan. But his natural instinct for financial [redacted] led him [redacted] dabble in real [redacted] from [redacted] days of [redacted] company, comfortable in the belief [redacted] "land prices will [redacted] down [redacted] Japan".

In addition [redacted] being [redacted] leading investor [redacted] through specified [redacted] trusts, known [redacted] *tokkin*, [redacted] feared speculator in currencies, [redacted] built [redacted] Japan's [redacted] paper market, in which [redacted] had [redacted] share of up to [redacted] per cent. This market [redacted] provided Hanwa [redacted] means [redacted] make huge profits by issuing commercial [redacted] low [redacted] investing [redacted] proceeds in short-term deposits where [redacted] higher.

The company's dealings in financial markets yielded enviable profits during Japan's peak period [redacted] asset inflation. In 1990, 70 per [redacted] of the company's [redacted] in profits were [redacted] non-operating [redacted] – mostly financial [redacted].

But [redacted] strategy started [redacted] unravel with [redacted] pricking [redacted] Japan's asset [redacted] the early [redacted] of [redacted] decade. By the spring [redacted] 1991, [redacted] to [redacted] the [redacted] of Japan's [redacted] fall. [redacted] reported appraisal [redacted] on its cross-shareholdings in [redacted] company's [redacted] and [redacted].

[redacted] later, [redacted] reported [redacted] it would halve the [redacted] of its investment funds. It entered into a furious public [redacted] legal battle [redacted] Yamatane Securities [redacted] a promise which Hanwa claims Yamatane had made [redacted] repurchase securities after three months at a price that would yield a [redacted] per cent return.

At the [redacted] of [redacted] year, [redacted] company [redacted] further undermined by rumours [redacted] financially [redacted] had [redacted] its limit [redacted] credit by [redacted] ($509.2m). The [redacted] sent Hanwa's [redacted] price plunging [redacted] in one day late in [redacted] to Y455, a far [redacted] from the peak [redacted] in 1991. By [redacted] end of [redacted] Hanwa's [redacted] price had fallen as low as Y387.

Hanwa's undoing by its [redacted] is all [redacted] more ironic [redacted] the company's core [redacted] trading in steel products has been a solid one offering relatively high returns.

The soundness [redacted] its main operations and its finances (despite [redacted] outstanding loans [redacted] banks) is demonstrated by the fact that none of its banks – [redacted] important shareholders – [redacted] need [redacted] send directors [redacted] Hanwa in [redacted] restructuring. Rumours about its financial difficulties [redacted] been exaggerated and the share price [redacted] recently started to [redacted].

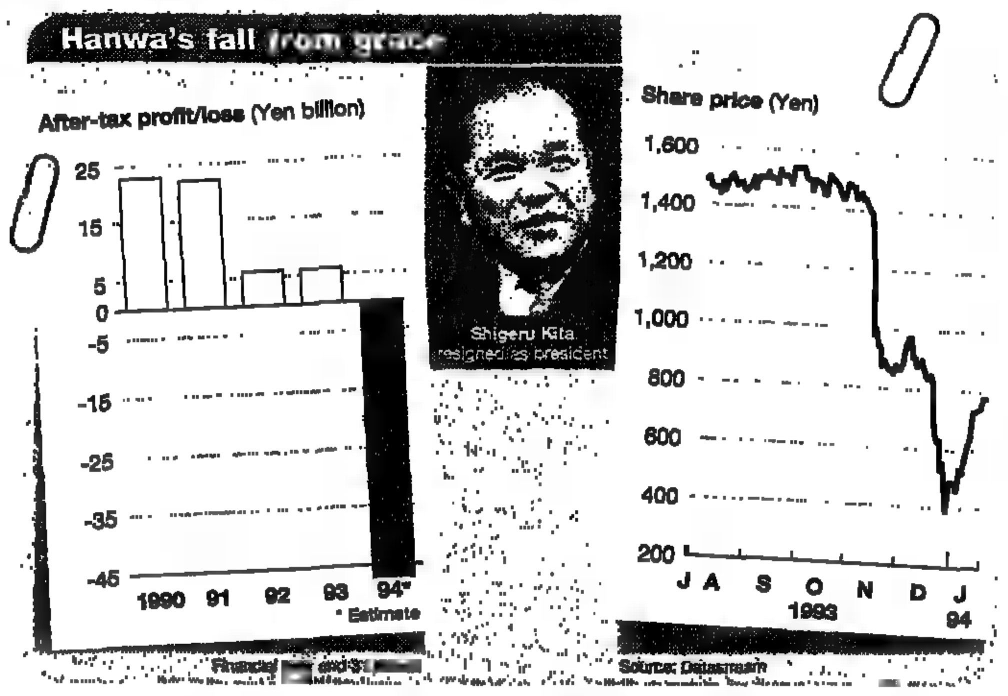
Reflecting on the company's fate, Mr Takashi Iwama, vice-president, [redacted] yesterday that the decline of the [redacted] markets was [redacted] most significant factor. [redacted] to [redacted] lax management control, allowing [redacted] to [redacted] deeper into the speculative frenzy of [redacted] late 1980s, and [redacted] of strong [redacted] once [redacted] seen to be going [redacted].

Although [redacted] troubles were [redacted] known, the decision [redacted] admit failure and [redacted] transactions, especially [redacted] it still has Y1.3 trillion [redacted] funds invested, came [redacted] a surprise. [redacted] Kathy Matsui, strategist at BZW in Tokyo, [redacted] while "Hanwa [redacted] known to [redacted] in trouble, [redacted] created quite [redacted] shock".

The lessons of Hanwa's experi- [redacted] are bound to have an effect on other Japanese companies caught up in the speculative heat [redacted] the late 1980s. While invest- [redacted] in [redacted] specified money trusts and fund trusts have already declined from a peak of Y43,000bn in February 1990 [redacted] Y23,000bn last September, according [redacted] the decline [redacted] these [redacted] techniques is bound to [redacted] further, analysts [redacted].

[redacted] same time, cross-shareholdings, which have [redacted] important support for [redacted] prices in Japan [redacted] likely [redacted] be affected by [redacted] to [redacted] off [redacted] is big enough [redacted] "jump" in [redacted] unwinding [redacted] cross-share- [redacted] according [redacted] Mr [redacted] Jason, strategist at [redacted] Capel in Tokyo.

For corporate Japan, after years of busily pursuing one diversification after another and one lucrative *financial* [redacted] another, the harshest [redacted] may be the importance of focusing on core businesses. "Hanwa [redacted] a good reputation in the steel business," [redacted] Mr Hiroyuki Suzuki, [redacted] analyst [redacted] Nomura Research Institute. "We expect more [redacted] panies [redacted] its example [redacted] concentrate more [redacted] their original businesses."



Roche moves up to third place in FT500 [redacted] Shell keeps lead

By Peter Martin, Financial Editor

Roche, [redacted] drugs group, [redacted] the big winner in [redacted] year's [redacted] ranking of Europe's top companies, rising [redacted] third place [redacted] sixth.

[redacted] market capitalisation – the value [redacted] all [redacted] when [redacted] survey [redacted] taken – is [redacted] behind that [redacted] British Telecommunications. [redacted] still well behind Royal Dutch/Shell, [redacted] Anglo-Dutch [redacted] group, which again ranks first.

In general, drugs companies did poorly in [redacted] year's rankings, making Roche's rise [redacted] more striking. [redacted] the UK came [redacted] year, but has now dropped [redacted] place.

The FT500, published [redacted] a [redacted] cial section today, [redacted] European quoted companies by market capitalisation. A second ranking, the FT UK 500, highlights [redacted] leading UK companies. The top [redacted] companies from [redacted] US [redacted] Japan are also included.

This year's survey also shows:
● [redacted] banks made a striking recovery. Scandinaviska Enskilda Banken, which had dropped [redacted] ranking, reappeared at 199th. Svenska Handelsbanken was the biggest gainer, rising [redacted] places [redacted] 223rd.
● Other big winners included British Aerospace, up 233 places [redacted] Finland's Repola, [redacted] places [redacted] 255th; and Spain's Fom- [redacted] Construcciones, up [redacted] to 312nd.
● [redacted] Montedison, [redacted] Italian chemicals company, which [redacted] places [redacted] 468th; Racal, the UK electronics [redacted] down [redacted] places [redacted] and Delhaize, the [redacted] chemicals company, down 152 to 327th. Courtaulds [redacted] UK [redacted] Club Mediterranée of France dropped out [redacted] the European [redacted].
● The rankings include several companies [redacted] by [redacted] such as [redacted] Elsevier (41st), the Netherlands-British publishing [redacted] and Matra Hachette (235th), France's publishing and defence group. Other new [redacted] former state-owned companies: Rhône-Poulenc, [redacted] French chemicals [redacted] joins [redacted] 79th; Argentaria, [redacted] Spanish bank, enters [redacted] 107th.
● Omission: LWT should have [redacted] included in the UK [redacted] at 205th, with a [redacted] capitalisation [redacted] £517m.

Bank of England seeks to ease liquidity problems with 'repo'

By Sara Webb in London

The Bank [redacted] England yesterday held its [redacted] formal sale and repurchase – [redacted] "repo" – [redacted] UK government bonds as part [redacted] its sterling money market operations, in an [redacted] iron [redacted] the volatility and liquidity problems that [redacted] the market since the September 1992 sterling [redacted].

The new procedures have already been [redacted] on [redacted] temporary [redacted] and complement the Bank's existing market operations, in which it [redacted] bills from the banks in return for lending wholesale cash.

The Bank yesterday allotted £3.84bn in 21-day repos and £137m [redacted] 35-day repos, both at $5\frac{15}{32}$ per cent [redacted] be allocated and settled today. This enables banks [redacted] money from the Bank [redacted] three [redacted] a [redacted] per cent using their gilt holdings as security.

While the Bundesbank's [redacted] operations are closely watched by participants [redacted] European financial markets [redacted] about [redacted] direction [redacted] Germany's key interest rates, [redacted] Bank [redacted] England's [redacted] is unlikely to assume the same significance.

"The Bank [redacted] England's daily [bill] operations will [redacted] provide the main focus," says Mr Philip Shaw, an economist at Union [redacted]. He pointed out that if the liquidity shortages [redacted] an [redacted] that the Bank did not need [redacted] early [redacted] assistance in the money market, [redacted] repo [redacted] would provide [redacted] signal [redacted] the day – albeit only [redacted] twice-a-month [redacted] dates.

When the Bank [redacted] to support sterling in autumn 1992, the heavy intervention resulted in a [redacted] drain of liquidity from the money market. As a result, daily shortages [redacted] more than £1bn have become a regular [redacted].

The Bank introduced temporary repos [redacted] alleviate the problems. The intention [redacted] to [redacted] this facility [redacted] all [redacted] and building societies, but this was not possible [redacted] yesterday's repo: only the biggest banks and building societies, as well as the discount [redacted] and gilt-edged market makers, were able [redacted] participate.

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New Volvo board heads agenda with Renault link

By Hugh Carnegy in Gothenberg

Volvo's [illegible] board will focus on talks with France's Renault on the future of their [illegible] year-old alliance, Mr Bert-Olof Svanholm, Volvo's new chairman, said yesterday. His comments [illegible] in the wake of the collapse last month of plans by the two companies [illegible] merge.

Speaking shortly after his election, Mr Svanholm [illegible] careful not to say what [illegible] result might be. However, he [illegible] inform shareholders of the outcome – [illegible] of the [illegible] board's long-term strategy [illegible] Volvo – at [illegible] annual general meeting in April.

Mr Svanholm, who [illegible] the Swedish operations of Asea Brown Boveri, the Swiss-Swedish engineering group, succeeded Mr Pehr Gyllenhammar, who resigned after two decades in charge of Volvo when confronted with a shareholder and senior management revolt against the merger plan.

The [illegible] chairman insisted Volvo would rebound from [illegible] trauma. "It [illegible] a company with big possibilities for [illegible] future," he [illegible]

Mr Svanholm was proposed by a group of Swedish institutional shareholders representing 40 per cent of the voting capital.

[illegible] meeting accepted their other six board nominees, including Mr [illegible] Gyll, Volvo chief executive, and Mr Louis Schweitzer, the chairman and chief executive of Renault, which [illegible] Volvo's biggest [illegible] with 10 per [illegible] of the voting capital.

Mr Gyll [illegible] Volvo [illegible] year achieved its first increase in [illegible] since [illegible] in spite of recession in Europe [illegible] the upheaval caused by the [illegible] uproar.

Christopher Brown-Humes in Stockholm [illegible] Gyllenhammar is stepping down [illegible] vice-chairman of Skandinaviska Enskilda Banken.

"It [illegible] natural that after leaving Volvo, I [illegible] also leave the SE-Banken board [illegible] that I remain free for the future," he said.

Mr Gyllenhammar [illegible] a board member [illegible] SE-Banken [illegible] 1979, and vice-chairman since 1991. He is expected [illegible] at [illegible] bank's annual general meeting in April.

Daf nets Fl 10m in 10 months

[illegible] Done, [illegible] Industry Correspondent

Daf Trucks, the Dutch truck maker rescued from collapse last year, made [illegible] profit of Fl 10m [illegible] 10 months [illegible] December.

The company [illegible] still majority-owned by the Dutch and Flemish governments, but [illegible] is expected that the combined [illegible] holding [illegible] reduced [illegible] minority position later [illegible] year.

Mr Cor Baan, chairman of the Daf Trucks management board, [illegible] the company [illegible] achieved a turnover of Fl 1.3bn in the final 10 months of [illegible] year.

[illegible] further growth in turnover [illegible] profit this year, despite continued [illegible] the European truck [illegible]

The company has begun negotiations with the Dutch unions to [illegible] the flexibility of [illegible] agreements. It [illegible] seeking to increase the working [illegible] 38 hours [illegible] present [illegible]

It is also seeking [illegible] introduce [illegible] new shift system with [illegible] 9½-hour day, four days [illegible] week with the possibility of the plant working [illegible] days [illegible] week.

Longer operating [illegible] increased flexibility [illegible] in [illegible] market in which margins were under heavy pressure [illegible] a result [illegible] pacity [illegible] growing influence of cheap labour countries [illegible] as [illegible] Europe and the Far East, [illegible] Baan.

The company had "drastically reduced" its stocks last year and had "strictly" [illegible] to the principle of only building [illegible] order.

[illegible] the overall [illegible] European commercial vehicle market would suffer [illegible] further slight fall in [illegible] would not begin to [illegible] the [illegible] of the year.

PepsiCo expands in east Europe

[illegible] Blum in [illegible]

Pepsi-Cola International, [illegible] soft drinks [illegible] of PepsiCo, plans to invest $115m [illegible] five years in Slovakia and the Czech Republic, the company announced yesterday in Bratislava.

This brings PepsiCo's planned investments in the [illegible] food and drinks [illegible] in central and eastern Europe to almost $1bn, [illegible] Richard Norton, senior vice-president for business development in the Middle East, Africa [illegible] eastern Europe, said.

The company recently announced plans to invest [illegible] in Poland [illegible] $115m in Hungary in local production facilities. It [illegible] involved in a $150m joint venture resine plant in Russia (resine [illegible] make plastic bottles).

The investment will be split roughly according to the size of [illegible] two countries, with $85m going to the Czech Republic and $30m to Slovakia. It includes a 20,000 sq metre packaging plant under [illegible] struction [illegible] outskirts of Prague, and [illegible] establishment of [illegible] distribution networks in both countries. PepsiCo will increase its Czech workforce to about 600 employees and provide jobs for about [illegible] workers in Slovakia.

Last month, Kentucky Fried Chicken which along with Pizza Hut and Taco Bell is owned by PepsiCo, announced plans [illegible] open up to [illegible] restaurants in the Czech Republic [illegible] four years.

Deutsche Bank sets sights on Asia-Pacific

By Paul [illegible] in Tokyo

Deutsche [illegible] Germany's [illegible] bank, is targeting the Asia-Pacific region for [illegible] next decade after concentrating expansion plans on [illegible] America during [illegible] years.

The bank's Asia-Pacific operations had the potential [illegible] substantially [illegible] profits during [illegible] next [illegible] years, said Mr Ulrich Cartellieri, [illegible] member responsible for that region.

The region generated profits [illegible] DM500m [illegible] last [illegible] year, compared [illegible] profits of nearly DM6bn.

[illegible] Cartellieri [illegible] "This [illegible] the world's fastest growing region and will require huge [illegible] in infrastructure. The most conservative [illegible] puts [illegible] requirements [illegible] over [illegible] next [illegible] years. [illegible] help fund [illegible] expansion."

The bank employs more than [illegible] people in the Asia-Pacific region, of which slightly less [illegible] 400 are [illegible] Japan.

Most of [illegible] growth [illegible] region would [illegible] in south-[illegible] Asia with little from Japan, [illegible] said. The speed of growth would depend upon how quickly governments deregulated their [illegible] markets.

"Most [illegible] advancing [illegible] leaps [illegible] bounds. [illegible] are having [illegible] from [illegible] Age [illegible] derivatives in only [illegible] few months," [illegible] explained.

[illegible] would concentrate [illegible] commercial banking, trade finance, capital market operations, brokerage and private investment banking.

The Morgan Grenfell subsidiary, would [illegible] its [illegible] in capital markets. Singapore [illegible] only [illegible] where Morgan Grenfell [illegible] depth, [illegible]

Deutsche Bank had asked [illegible] Vietnamese authorities for permission [illegible] upgrade its representative offices in Hanoi [illegible] Saigon to [illegible] branches. India is also a priority for the commercial banking operations. A licence had just been received for Bangalore, and [illegible] offices were planned in [illegible] Indian cities [illegible] ing Calcutta.

Falling prices hit Thyssen Stahl

By Ariane Genillard in Duisburg

Losses at Thyssen Stahl, Germany's largest steelmaker, quadrupled [illegible] the year [illegible] September, [illegible] DM1.23bn ($703m). The [illegible] declining steel prices [illegible] falling domestic orders.

Turnover for the year fell by [illegible] per cent, [illegible] DM10.6bn. The company said the [illegible] in steel prices accounted for DM500m of [illegible] losses.

Weak demand, especially from [illegible] automotive industry, also contributed to the company's heavy losses, with deliveries decreasing by 10 per cent for the [illegible] year.

Mr Ekkehard Schulz, chairman, said he did not expect marked improvements in 1994, [illegible] domestic demand [illegible] expected to remain weak. However, he [illegible] the company's drastic cost-cutting measures should allow it to return to the black in the 1994-1995 financial year.

Turnover for [illegible] first quarter of the year continued to fall, dropping 7 per cent to DM2.5bn against the [illegible] period [illegible] previous year. Crude steel production stood [illegible] 2.4m [illegible] in the first quarter, [illegible] 11 per cent increase over the previous year. Thys[illegible] Stahl's total crude [illegible] production in [illegible] stood at 8.3m tonnes.

"[illegible] expect the coming [illegible] to remain [illegible] unsatisfactory as the year before," Mr [illegible] said.

"But [illegible] that [illegible] has been reached, and that business will [illegible] least not deteriorate further. [illegible] pick-up in demand [illegible] products cannot, [illegible] be expected [illegible] the second half of 1994."

[illegible] he said Thyssen Stahl had no alternative but to continue laying off workers [illegible] reduces [illegible] The [illegible] announced [illegible] lier [illegible] an additional [illegible] would [illegible] by [illegible] year end. A two-year restructuring programme already plans to axe 30 per cent of its 40,000 workforce by October 1994.

Mr Schulz said the restructuring programme would allow for productivity increases of between 4 and 5 [illegible] cent in coming years. Restructuring measures [illegible] also included the [illegible] company's steel and special steel divisions, which took effect at [illegible] beginning of the 1992-1993 business year.

Economies of scale are also expected in the divisions producing tin plates and non-corrosive steels, which are due to be merged with Krupp-Hoesch, Germany's second-largest steelmaker.

Eurotunnel chief takes the helm

Georges-Christian Chazot will be a regular Channel traveller, write Charles Batchelor and John Ridding

Mr Georges-Christian Chazot, Eurotunnel's [illegible] French chief executive, may be [illegible] keen [illegible] teur sailor, but he admits [illegible] has never taken his 35-foot [illegible] ing yacht, Eloisa, [illegible] the English Channel.

Nor will he have a chance [illegible] make [illegible] voyage in the [illegible] few months. Instead, it [illegible] Mr Chazot is set to spend [illegible] time travelling under the Channel [illegible] sailing [illegible] it. On Tuesday, he made his first trip through the tunnel which he [illegible] turn into a profitable transport undertaking.

Despite a long and apparently successful [illegible] with international companies, Mr Chazot, 54, is not [illegible] name familiar [illegible] business community outside France. [illegible] is also taking on [illegible] role whose previous occupant, [illegible] Alastair Morton, established a fearsome reputation for getting things done.

[illegible] Chazot was picked after [illegible] search by two teams of headhunters in Paris and London. Sir Alastair said Eurotunnel was looking for "the best man without regard to nationality".

Not that Mr Chazot regards himself as being particularly French. "I [illegible] a little detached from [illegible] type of consideration," he said yesterday. "My basic [illegible] was [illegible] the [illegible] for [illegible] three years of [illegible] business life."

[illegible] was educated [illegible] Polytechnique [illegible] Paris, and [illegible] the University of Florida, graduating with a degree in electrical engineering and [illegible] diploma in marketing.

Most of his subsequent [illegible] been industry, and he worked for 14 years each [illegible] Schlumberger, the international engineering group, and CGE (now Alcatel Alsthom), the telecommunications [illegible] pany.

He ranks [illegible] of [illegible] cesses the transformation of Saft, Alcatel's battery subsidiary, from a company with a "a culture of high-tech arrogance to [illegible] service-minded corporation".

Among [illegible] disappointments, he recalls the problems [illegible] taking to Alcatel [illegible] hard-driving commercial approach [illegible] brought from Schlumberger. Alcatel, he says, [illegible] "a public telephone [illegible] culture".

From Alcatel he went [illegible] Adia, [illegible] Swiss temporary employment agency, running its French subsidiary for [illegible] months. "Time with [illegible] service company complemented my industrial experience," he said. "Eurotunnel is [illegible] service company and nothing else."

Eurotunnel nevertheless represents another significant career switch. "There [illegible] few, if any, parallels with this project," said one French [illegible] "The important thing is that he has an international background, has shown himself to [illegible] and that he is [illegible] before [illegible] tunnel opens its services."

O[illegible] valuable [illegible] Mr Chazot brings from Adia is experience with price competition. In industry, he said, [illegible] on quality and [illegible] innovation [illegible] Adia, which [illegible] fighting for business in a depressed market place, price [illegible] margins [illegible] on increased importance.

If forecasts [illegible] between [illegible] cross-Channel [illegible] are [illegible] out, [illegible] rience will be useful. Eurotunnel insists it [illegible] no plans [illegible] compete [illegible] price, but [illegible] choice.

Although [illegible] chief executive, [illegible] Alastair will remain [illegible] chairman. [illegible] keen to stress they [illegible] plementary [illegible] conflicting [illegible]

Mr Chazot [illegible] to spend [illegible] four months ensuring that services which run through [illegible] tunnel – [illegible] passenger shuttles, [illegible] trains and freight services – [illegible] planned, [illegible] that the [illegible] make profits.

Georges-Christian Chazot: services background crucial

This is [illegible] task which will [illegible] closely in the [illegible] sides of the company, Sir Alastair and Mr [illegible] Corbett, the finance director, [illegible] their time [illegible] solving [illegible] ing disputes with [illegible] railways [illegible] an additional £1bn of finance.

"We want to prevent Mr Cha[illegible] from being overburdened by the problems of the past," said Mr André Bénard, co-chairman.

However, for an untried business with £10bn [illegible] in [illegible] intensely competitive [illegible] problems of the [illegible] will [illegible] hard to ignore.

Globex eyes a Dublin challenge

The CBoT may join the Irish exchange, writes Tracy Corrigan

When Globex, the troubled global electronic futures exchange, attempts to relaunch itself later this year, it could [redacted] competition from an unlikely [redacted] a new exchange development in Dublin's International Financial Services Centre.

So far, only Finex, [redacted] relatively small [redacted] York-based exchange, has taken [redacted] in the Dublin Exchange Facility, which is due to [redacted] on April 15.

But the Chicago [redacted] of a number [redacted] actively considering [redacted] Dublin option, and the Philadelphia [redacted] of Trade and [redacted] in Singapore [redacted] also involved in discussions.

The facility [redacted] for American and Asian exchanges to service European customers," [redacted] Mr Paul Cronin of Ireland's Industrial Development Authority, which has backed the project.

The CBoT would be a notable catch for Dublin. The exchange is widely expected [redacted] drop out [redacted] Globex, when [redacted] between the system's three backers, Reuters, the Chicago Mercantile Exchange and the CBoT, [redacted] redrawn in April.

[redacted] is [redacted] high-tech, electronic trading network which allows traders in other time zones [redacted] deal in futures outside normal exchange hours. But volume has been disappointing, prompting speculation [redacted] the concept of 24-hour electronic trading is flawed.

The Dublin idea [redacted] stab at the same problem [redacted] out-of-hours trading. But unlike Globex, [redacted] Dublin facility will simply replicate existing open-outcry trading arrangements, allowing pit trading in [redacted] European time-[redacted] with low overheads.

"We have [redacted] contractual agreement [redacted] Globex with Reuters, but, come April, it [redacted] unlikely that [redacted] will [redacted] the [contract] requirement, and [redacted] the option to pull the plug," explains Mr Fred Grede, vice-president of admin-[redacted] CBoT.

"The board [redacted] of [redacted] has been thinking [redacted] options."

He added that the Dublin development is "definitely an option – we believe, quite candidly, that open outcry has been [redacted] superior trading system. The concept is very appealing – the one issue in everyone's mind [redacted] the infrastructure in Dublin."

The [redacted] is [redacted] considering linkages with [redacted] exchanges. [redacted] with Liffe in London were abandoned, and talks with the Matif in Paris and the DTB, the German [redacted] market, [redacted] preliminary.

Even with the greater array of products pro-[redacted] by the CBoT, there [redacted] guarantee [redacted] critical mass [redacted] trading could [redacted] achieved in Dublin. The question [redacted] whether [redacted] really [redacted] to [redacted] outside their own time [redacted] given [redacted] global reach [redacted] most [redacted] houses, applies to [redacted] Dublin project [redacted] well [redacted] to Globex.

[redacted] the Irish Industrial Development Authority [redacted] a favourable environment [redacted] a [redacted] tax rate for exchanges and member firms – so the venture promises [redacted] be [redacted] relatively cheap one for participants.

Trading permits for Finex Europe, [redacted] Dublin branch [redacted] Finex, are [redacted] only $10,000, and cheques have already started arriving – including one from [redacted] William O'Connor, the former chairman [redacted] the CBoT.

Finex [redacted] to expand into Europe [redacted], according [redacted] Mr Sean McNamara, [redacted] independent trader [redacted] CIG [redacted] Management and a member of the [redacted] "We approached [redacted] to join the system [redacted] they [redacted] us [redacted] not invited." [redacted]

The exchange then [redacted] physical [redacted] to Europe would [redacted] a [redacted] option. Dublin "is a platform for [redacted] European marketplace," [redacted] Mr McNamara. "We [redacted] not trying [redacted] build [redacted] Liffe [redacted] CME; if [redacted] can [redacted] day, 50-100 people [redacted] be making [redacted] living [redacted] will [redacted] a platform [redacted] which [redacted] grow."

Iberia goes ahead with $500m injection for Argentine airline

By John Barham in Buenos Aires

Iberia, Spain's national airline, [redacted] would [redacted] with [redacted] controversial $500m capital injection for the troubled [redacted] Argentinas.

However, Iberia, [redacted] Argentina's privatised flag-carrier, [redacted] the Argentine government, which still owns 33 per cent of the company, to contribute.

Mr Domingo Cavallo, economy minister, has [redacted] the government would not put [redacted] more [redacted] into Aerolineas after being forced [redacted] take back [redacted] per [redacted] in [redacted] to prevent [redacted] collapse.

[redacted] last [redacted] 14 per [redacted] $795.1m. [redacted] blame much [redacted] problems [redacted] management, [redacted] say [redacted] will [redacted] overcome by injecting [redacted] money.

Spanish and Argentine banks with close business relationships with [redacted] cent of Aerolineas and have agreed [redacted] participate in [redacted] capital increase. However, [redacted] of [redacted] banks is the troubled [redacted] with [redacted] 7.5 per [redacted] stake.

The capital-raising exercise will [redacted] involve more local investors because Argentines must own a majority of [redacted] for [redacted] to retain flag-[redacted] airline [redacted] employees' share [redacted] ship scheme, [redacted] holds 10 per [redacted] of Aerolineas, [redacted] pilots' [redacted] join in.

Mr [redacted] Saez, Iberia execu-[redacted] vice-president, [redacted] warned [redacted] Aerolineas receives [redacted] capital [redacted] would [redacted] face collapse. However, he said last [redacted] Iberia would [redacted] willing [redacted] for $500m, which [redacted] roughly [redacted] paid [redacted] in [redacted] company [redacted] its privatisation in [redacted]

Sun Micro turns in 80% surge for quarter

By Martin Dickson in New York

[redacted] Microsystems, the [redacted] market leader in computer workstations, reported [redacted] 80 per cent rise in second-quarter net [redacted]

The company made $43.8m, or [redacted] share, up from $24.1m, [redacted] 23 cents, [redacted] year before, [redacted] revenues up 8 per [redacted] at $1.13bn. [redacted] earnings [redacted] broadly in line with mar-[redacted] expectations.

Mr Kevin Melia, chief financial officer, said: "Sun's successful new product offerings and [redacted] resulting [redacted] in the high-end product [redacted] as well [redacted] our continued focus on [redacted] management, helped [redacted] gross [redacted] from last year's level."

Bookings had grown to [redacted] new [redacted]

For the [redacted] months, net income jumped to [redacted] or 62 [redacted] share, up from $28.9m, or 28 [redacted] on revenues 10 per [redacted] higher at $2.09bn.

[redacted] company also announced Mr Melia [redacted] step down as [redacted] financial [redacted] and move to the east coast [redacted] the US for "personal reasons". He will [redacted] replaced by Mr Michael Lehman, corporate controller.

Venezuelan brewer taken over

By Joseph Mann in Caracas

Universal Breweries, [redacted] majority [redacted] Brahma beer group, has [redacted] of C.A. [redacted] Nacional, Venezuela's second-largest beer producer.

Brahma, which will operate the Venezuelan beer maker, plans to la[redacted] new [redacted] in [redacted] introduce its popular Brahma Chopp [redacted] Details on the transaction were not disclosed.

Brahma's presence in Vene-[redacted], part of [redacted] expansion programme, should provide strong competition [redacted] Polar, [redacted] beer [redacted] per [redacted] the [redacted] market, and Cervecera Regional, [redacted] producer.

[redacted] is [redacted] by the Mendoza Fleury family, [redacted] Regional is [redacted] by the Cisneros group. Cervecera [redacted] are [redacted] exchange, but are not actively traded.

Both Brahma and Polar are [redacted] the world's largest brewers. Cervecera [redacted] was once [redacted] leading [redacted] lan [redacted] producer but was overtaken by Polar in [redacted] 1970s. Nacional has 6 [redacted] cent of Venezuela's [redacted] and 34 [redacted] of [redacted] "malta", [redacted] non-alcoholic malt beverage. It also [redacted] the [redacted]

While Venezuela is [redacted] relatively small market, with [redacted] population [redacted] 20m, beer is a big seller. [redacted] output in 1992 [redacted] more than 72m litres, or 61 [redacted] cent of all alcoholic beverages sold.

Tokyo forex trade at five-year low

[redacted] Terazono in Tokyo

Trading on the Tokyo foreign exchange market dropped to a five-year [redacted] raising [redacted] the viability [redacted] Tokyo's [redacted] the leading [redacted] far [redacted]

Spot and swap volume [redacted] through forex [redacted] last [redacted] fell [redacted] per [redacted] compared [redacted] $5,963bn, [redacted] lowest [redacted]

Trading volume has fallen steadily [redacted] the peak in [redacted]

Derivatives trading also declined. [redacted] big US and European houses, the leading participants, moved their operations [redacted] Hong Kong and Singapore as a result of high [redacted]

[redacted] deregulation by the ministry of finance, limiting the number of instruments traded in Tokyo, has also discouraged some traders. The ministry [redacted] yet [redacted] lift [redacted] on forward [redacted] agreements, originally expected last year.

Similar trends have occurred *in the stock market*, where investors trading the Nikkei stock futures index have shifted trade to Singapore.

The Japanese financial authorities [redacted] make a [redacted] certed [redacted] in making Tokyo a [redacted] attractive financial market, says [redacted] Kazuo Fujii, senior managing director of forex brokers [redacted] AP.

McDonald's plans $1bn buy-back

By Laurie [redacted] in Chicago

McDonald's Corporation, the international hamburger [redacted] chain, [redacted] buy back $1bn [redacted] within [redacted] funded primarily by [redacted] cash flow.

Since 1983, the company [redacted] bought [redacted] stock worth nearly $2.2bn.

[redacted] Greenberg, [redacted] financial officer, said [redacted] repurchases would [redacted] returns, but would not [redacted] equity [redacted] to support growth worldwide.

McDonald's recently announced it would [redacted] global [redacted] expansion, building 900 to 1,200 new [redacted] annually, with about two-thirds outside [redacted] US.

It currently [redacted] in 70 [redacted] with nearly 80 per [redacted] independently owned by local franchisees.

Mexican finance group ahead

By Damian Fraser in Mexico City

Grupo Financiero Banamex-Accival (Banacci), Mexico's largest financial group, recorded [redacted] 35 per cent increase in total profits to 3.59bn [redacted] ($1.16bn) [redacted] year, after [redacted] big increase in gains from money-market and equity trading.

Banacci's profits include 861m [redacted] of [redacted] gains on securities trading. It [redacted] that adjusting for income [redacted] profit sharing, profits would [redacted] $3.21bn, [redacted] up on [redacted]

Banacci subsidiaries' profits – which [redacted] group's unrealised gains from securi-[redacted] trading – [redacted] year, just 1 [redacted] cent [redacted] than last year. Banamex, the group's bank and largest subsidiary, reported [redacted] net [redacted] of [redacted] year, 2.5 [redacted] lower than [redacted]

For [redacted] fourth quarter, [redacted] acci [redacted] profits, including unrealised securities gains, [redacted] 1.36bn pesos, 39 per cent up on [redacted] same period [redacted] Ban-[redacted] achieved profits [redacted] pesos, compared with [redacted] in the [redacted] quarter [redacted] year.

It blamed [redacted] drop in profits on Mexico's weak economy [redacted] year, lack of liquidity [redacted] its aggressive *increase* [redacted] *provisions for* [redacted] losses.

Last year [redacted] provided [redacted] pesos for loan losses.

INTERNATIONAL COMPANIES [redacted] FINANCE

Net income at Intel [redacted] to $2.3b[redacted]

By Alan Cane

Intel, the [redacted] semiconductor maker whose microprocessors [redacted] used in [redacted] of the world's 100m personal computers, reported sharply higher [redacted] and revenues [redacted].

However, Wall Street regarded the figures as shy of expectations and yesterday at midday the shares [redacted] down [redacted].

Net income for 1993 [redacted] $2.3bn, the first time the [redacted]pany has broken the $2bn barrier and [redacted] than double the $1.07bn reported in 1992. Earn[redacted] per [redacted] more than doubled to [redacted] compared with [redacted] year. [redacted] $8.78bn, [redacted] 50 per cent improvement on [redacted] in 1992.

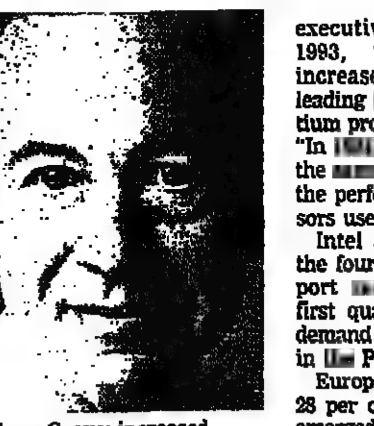
Fourth-quarter [redacted] and net income, at [redacted] and [redacted] respectively, were records, although the company said the results had been affected by heavier than usual start-up [redacted] for chip factories in California and Ireland.

The figures confirm Intel's position as the world's leading semiconductor manufacturer, ahead [redacted] of Japan, and the strength [redacted] demand [redacted] its most powerful microprocessors, including the [redacted] Pentium chip.

The company said it intended [redacted] momen[redacted] with the launch within weeks of [redacted] product capable of transforming [redacted] conventional PC into [redacted] personal videoconferencing system.

The kit, including television camera and sound system, would be easily affordable by companies. It [redacted] be cheap enough for [redacted] use.

According [redacted] Dataquest, [redacted] US market research company, Intel's share of the world semiconductor market [redacted] to [redacted] per cent, against 7.8 [redacted] year.



Andrew Grove: increased production and [redacted] prices

Mr [redacted] Grove, Intel chief executive, said that during 1993, the company had increased production of its leading [redacted] and Pentium processors and cut prices: "In [redacted] plan [redacted] do more of the [redacted]. Our goal [redacted] to double the performance [redacted] the processors used [redacted] key price points."

Intel said strong orders in the fourth quarter should support [redacted] growth in the first quarter of [redacted] and that demand continued [redacted] be [redacted] in [redacted] PC market place.

Europe, which [redacted] for 28 per cent of sales, last year emerged as the company's fast[redacted] growing region with [redacted] of $2.4bn, up 66 per cent on the 1992 figure of $1.44bn.

Intel has moved ahead of Philips of the [redacted] Europe's leading semiconductor manufacturer.

See Lex

BankAmerica held back in California

By Richard [redacted]

BankAmerica, [redacted] California-based banking group, [redacted] out [redacted] earnings advances [redacted] other big US [redacted] in the final months of [redacted] year as it continued [redacted] economic recovery in its home state.

The bank, the second largest in [redacted] ranked by assets, [redacted] market expectations with fourth-quarter [redacted] income of $496m, [redacted] $1.21 [redacted] share, compared with [redacted] or $1.18, [redacted] preceding three months and $473m, or $1.18, in [redacted] last quarter [redacted] 1992.

For the [redacted] whole, after-tax earnings per share edged down [redacted] $4.76, from [redacted] last year, on net [redacted] up [redacted] from $1.68bn, [redacted] after adjusting for the [redacted] of the acquisition of Security Pacific in 1992.

Mr [redacted] Rosenberg, chairman [redacted] executive, pointed [redacted] continuing [redacted]nomic [redacted] California, where [redacted] two-thirds [redacted].

[redacted] added [redacted] there had [redacted] encouraging events last year, including [redacted] record performance by [redacted] wholesale banking [redacted] and [redacted] record [redacted] by the number of accounts opened on the [redacted] banking side.

BankAmerica reversed [redacted] in [redacted] loan [redacted] in [redacted] latest period, [redacted] first time loans have grown since early in 1992. Loans at the [redacted] year totalled $126.4bn, [redacted] from $125.6bn three months earlier.

However, the bank's [redacted] margin declined to [redacted] cent, from 4.74 per cent in [redacted] previous period and [redacted] per [redacted] before.

As [redacted] result, net [redacted] lower than a year before.

Non-interest [redacted] $112m [redacted] $1.1bn, [redacted] mainly [redacted] gain from the sale [redacted] real [redacted].

Like [redacted] banks, BankAmerica [redacted] a continuing improvement in the quality [redacted] during the final period, with [redacted] provisions [redacted] cover loan [redacted] falling [redacted] $150m in the quarter, [redacted]pared with [redacted] before. Also, non-accruing [redacted] by [redacted] year [redacted] $2.9bn, [redacted] the end [redacted].

[redacted] improvements in [redacted] quality at [redacted] Fargo, BankAmerica's [redacted] coast neighbour, which reported results [redacted] Tuesday.

[redacted] Fargo's loan [redacted] provi[redacted] to [redacted] in the final quarter, [redacted] from [redacted] in the [redacted] period [redacted] while [redacted] full-year provision dropped [redacted] from $1.2bn.

[redacted] Fargo's fourth-quarter [redacted] income [redacted] share, compared [redacted] $58m, [redacted] a [redacted] a [redacted] before.

Weyerhaeuser ahead despite pulp losses

By Laurie Morse in Chicago

Weyerhaeuser, the [redacted] forest products company reported earnings of $101.7m, or 50 [redacted] share, in the fourth quarter, in spite [redacted] a $21m [redacted] quarter in its pulp and paper [redacted].

Last year, fourth-quarter earnings [redacted] or 42 cents. Sales for [redacted] quarter were $2.59bn, a 10 per cent rise.

[redacted] said prices [redacted] and lumber [redacted] year-ago levels, lifting operating earnings [redacted] products segment to [redacted] from $175m in the fourth quarter [redacted] 1992.

For the [redacted] Weyerhaeuser recorded earnings of $579.3m, [redacted] on sales of $9.54bn, compared with [redacted] earnings of [redacted] $1.83, on sales of $9.27bn.

● Boise Cascade, [redacted] Idaho-[redacted] US [redacted] products company, [redacted] losses in the fourth quarter nearly [redacted] a year ago, [redacted] that higher wood prices had [redacted] for the [redacted]. Losses con[redacted] pulp and [redacted] operations.

[redacted] posted a [redacted] of $23.7m, or 98 cents, for the quarter, compared with [redacted] of $29.6m, or 97 cents, a [redacted] in [redacted] quarter [redacted] against [redacted] in [redacted] year's fourth quarter.

For [redacted], the company [redacted] $77m, [redacted] $3.17, on [redacted] $4bn, compared with [redacted] losses of $227.5m, or [redacted] on sales of $3.7bn.

Loss worse than expected at AMR

[redacted] Tomkins [redacted] York

AMR, parent company of American Airlines, [redacted] second biggest [redacted] carrier, slumped into worse-than-expected after-tax losses of $253m [redacted] fourth quarter after a [redacted] period of profitability in the proceeding two quarters.

The [redacted] reason for the [redacted] was a damaging [redacted] by the airline's flight atten[redacted] the [redacted] nearly all its passenger reve[redacted] five days in November. AMR said yesterday the [redacted] had [redacted] compared with its [redacted] of [redacted].

It [redacted] warned [redacted] strike would bring fourth-quarter losses [redacted] show a loss [redacted] year [redacted] figures were worse than most analysts [redacted] predicted.

The share price fell by a modest $⅝ [redacted] in early trading as [redacted] to [redacted] in the [redacted] perfor[redacted] in [redacted] current [redacted].

Fourth-quarter revenues were up to [redacted] while the net [redacted] of $253m, equivalent to [redacted] a share, compared with losses [redacted] previous year's [redacted] quarter of $200m, or [redacted].

AMR said the [redacted] had been hit by restructuring and other charges costing $62m, or [redacted] cents [redacted].

For [redacted] full [redacted] revenue rose [redacted] $15.8bn from $14.4bn and net [redacted] fell to $110m from $935m. Losses per [redacted] were down to $2.23 from $12.49.

● KLM Royal Dutch Airlines will keep a 20 per cent stake in the ordinary share capital of Northwest Airlines after Northwest's share issue, Reuters reports from Amsterdam.

The [redacted] it [redacted] exchange [redacted] preference shares into new ordinary shares to maintain its stake in the US airline, which announced a $400m stock initial public offering.

Procter drops part of bid for German group

By Richard Tomkins

Procter [redacted] Gamble, the US [redacted] products group, is to drop part [redacted] planned acquisition [redacted] VP-Schickedanz, [redacted] German maker [redacted] hygiene products, [redacted] concern that it could [redacted] competition [redacted].

The purchase will exclude more than half [redacted] volume [redacted] hygiene products. P&G [redacted] it had taken [redacted] discussions with [redacted] European Commis[redacted] competition directorate.

The [redacted] originally thought [redacted] be worth [redacted] DM1bn ($580m), [redacted] P&G's [redacted] step into the $5.5bn-a-year European market for [redacted] products.

Safra Republic rises 31.5% to $121.6m

By [redacted] Rodger in [redacted]

Safra Republic, the Geneva-based international private banking group [redacted] by Mr Edmond Safra, [redacted] reported consolidated [redacted] income of $121.6m for [redacted], 31.5 [redacted] cent higher [redacted] in [redacted].

The directors are [redacted]mending [redacted] 22 [redacted] increase in [redacted] dividend [redacted] $2.75 a share.

[redacted] interest income [redacted] 10.4 per [redacted] $140.3m [redacted] loan loss provisions [redacted] 30 [redacted] $81m, reflecting an improvement in both lending volume and spreads.

Trading income jumped [redacted] and commission income soared 74 per cent to $58.8m, thanks to the growth in earnings from group investment funds [redacted] ance [redacted] client portfolio [redacted].

[redacted] on [redacted] were [redacted] to $29.7m.

[redacted] at December [redacted] 1993 [redacted] $11.3bn, 9.1 [redacted] higher than [redacted].

A [redacted] per [redacted] decline in client deposits to [redacted] was more than [redacted] by a 140 per cent jump in [redacted] deposits [redacted] $1.4bn.

[redacted] equity [redacted] $1.28bn [redacted] the [redacted] end, [redacted] higher [redacted] year [redacted].

Some $90m [redacted] came as a result [redacted] adopting [redacted] financial standard [redacted] 115) requiring it to state securities at fair value.

Pfizer equity tumbles 8% [redacted] growth in sales slows

By Richard Waters in New York

Pfizer shares tumbled 8 per cent yesterday as the US drugs group reported a sharp slowdown in sales growth in the final three months of 1993.

Other leading pharmaceuticals stocks fell as investors anticipated a fall in sales at other companies.

Pfizer, which had seen [redacted] increases than many other drugs groups as a result of successful drug launches, said sales grew by only 2 per cent in the last three months of the year, down from 9 per cent the year before. The share price fell $5.7 to $62 during morning trading in New York.

Sales in its core pharmaceuticals business slowed to 6 per cent during the period, from 13 per cent in the previous quarter.

The company pointed to "significant changes in trade inventory stocking patterns in the US and abroad" and the "timing of consumer health care trade promotions" during the latest period.

In spite of the slowdown in the latest period, the company still saw a 13 per cent rise for the year in drug sales, with the hypertension treatment Procardia XL, which contributes about a quarter of the total, up 11 per cent.

While revenue growth from drugs slowed down, other areas of the group, which contribute about a third of total sales, saw a fall in income. Sales of hospital products fell by 4 per cent in the latest period, while consumer health [redacted] produ[redacted] fell by 2 per cent.

While sales for the quarter were only slightly ahead at $1.98bn, research and development spending rose by 16 per cent compared with a year before, to $286m. As a result, operating income was just $5m higher, at $406m (before one-off items in 1992).

Net income for the period rose to $289m, or 90 cents a share, from $279m, or 88 cents a year earlier. Full-year net income was $658m, or $2.05, after the effects of a $575m [redacted] announced in the third quarter, compared with $1.09bn, or [redacted] b[redacted] accounting changes in 1992.

Ipsco to build $400m steel mill in Iowa

By Robert Gibbens in Montreal

Ipsco, western [redacted] leading steelmaker, [redacted] chosen south-eastern [redacted] for a [redacted] mini-mill [redacted] produce hot-rolled [redacted] and plate.

The mill, with 1m [redacted] annual capacity, will be built [redacted] a turnkey contract by Germany's Mannesmann Demag. [redacted] will double [redacted] steelmaking capacity.

It will make coil up to 96 [redacted] and [redacted] inch thick and plate up [redacted] 120 inches [redacted] and two [redacted] thick. The [redacted] will total 300 people and will [redacted] production in 1996.

Mr Roger Phillips, president, said [redacted] Iowa because [redacted] an abundant supply [redacted] scrap, low taxes and state aid.

Lower gold price helps cut income at Gengold

By Matthew Curtin in Johannesburg

Gengold, the gold mining division of South Africa's Gencor group, has turned in [illegible] 7 per cent decline in after-tax income to R109.2m ($31.9m) in the December quarter, compared with R117.2m in the September period and R65.1m [illegible] year ago.

A combination of [illegible] lower [illegible] price, depressed by outstanding low-priced forward sales contracts, and a small [illegible] in working costs, dulled a good operating performance from most [illegible] the group's 10 producing gold [illegible].

Total gold output was unchanged at 16.7 tonnes, but the mines received an average [illegible] price of [illegible] [illegible] kg, well [illegible] [illegible] [illegible] price [illegible] [illegible] [illegible] kg for the quarter and lower than [illegible] previous quarter's [illegible] a kg.

Mr Gary Maude, managing director, said all the group's forward positions would be unwound by May exposing the mines fully [illegible] the current gold price.

He said the "[illegible] performer" was [illegible] Helena which had recovered strongly after its mining operations [illegible] [illegible] in 1992/3 in [illegible] [illegible] attempt to stay in business.

Increasingly efficient underground mining led to higher tonnage, grades [illegible] gold [illegible] put in addition to trimmed [illegible] working costs. After-[illegible] profit jumped to R11.7m from R6.91m.

The only [illegible] news came from Buffelsfontein, the group's biggest gold producer, which Mr Maude said had only three-and-half [illegible] [illegible] [illegible] ground reserves at current gold prices.

The mine's gold output would be boosted by [illegible] end [illegible] the [illegible] by [illegible] new retreatment project, which would tackle more than 50m tonnes of dump material and keep [illegible] mine's mills turning over until the year [illegible].

Mr Maude said [illegible] decision on whether the R1.8bn developing Oryx mine [illegible] close or be able to raise R900m to see it to commissioning would [illegible] [illegible] in December.

Japanese drug group licenses treatment

By [illegible] Abrahams in Tokyo

Ajinomoto, the Japanese pharmaceuticals, chemicals [illegible] food additives company, yesterday [illegible] [illegible] agreement with Sandoz to licence a diabetes treatment to the [illegible] drugs group.

The [illegible] demonstrates the increasing productivity and sophistication of Japanese drugs research.

Sandoz will [illegible] a licence fee of at least Y1bn [illegible] [illegible] well as royalties equivalent to [illegible] 10 [illegible] cent [illegible] [illegible] The Basle-based group [illegible] acquired the rights to develop [illegible] market the drug.

Ajinomoto hopes the compound could [illegible] marketed in Japan as early [illegible] [illegible] and eventually generate world-[illegible] [illegible] [illegible] [illegible] Y50bn. Of these, 40 per [illegible] would be domestic.

World-wide [illegible] of diabetic drugs [illegible] about $2.5bn in 1992 [illegible] growing at about 10 [illegible] [illegible] a [illegible], according [illegible] Lehman Brothers, [illegible] international [illegible] company.

[illegible] developing [illegible] [illegible]keting similar drugs include [illegible] of Germany, and Upjohn and Pfizer [illegible] [illegible] US.

Ajinomoto's [illegible] [illegible] drugs, amino acids and speciality chemicals were Y93.7bn in [illegible], compared with [illegible] [illegible] turnover of Y667bn. The company [illegible] [illegible] [illegible] [illegible] number [illegible] Japanese [illegible] [illegible] [illegible] diversified into pharmaceuticals in [illegible] years.

MIM posts A$18m half-time loss

[illegible] Nikki Tait in Sydney

MIM Holdings, the Queensland-based metals group, [illegible]terday announced a loss of A$18.5m (US$12.8m) in the six months to [illegible] 12.

[illegible] first-half deficit compares with a surplus of A$71.3m in the [illegible] period [illegible] previous year, [illegible] was on [illegible] [illegible] of A$996.4m against [illegible].

However, it came after items [illegible] as an abnormal [illegible] of A$17.8m relating to MIM's joint venture smelting operations in Germany and [illegible] A$1.2m [illegible] on foreign exchange.

Before these items, MIM posted [illegible] small A$7.1m profit, compared with a A$51.1m surplus in the first half of [illegible].

The company also saw [illegible] better performance in the second quarter, compared with the first. Net profit [illegible] abnormals and foreign exchange in the second three months [illegible] [illegible] A$14m, compared with A$16.6m last time.

MIM said that [illegible] [illegible] metal prices received during the six months remained "significantly weaker than a year [illegible], with [illegible] and lead continuing to deteriorate in [illegible] recent quarter and zinc improving". [illegible] weaker Australian dollar only partially [illegible] this. Overall, the [illegible] Australian [illegible] price [illegible] [illegible] [illegible] down by 21 per [illegible] on a [illegible] [illegible]. For lead, prices [illegible] down by [illegible] [illegible] cent and for zinc, by 22 per cent.

However, the group [illegible] said that sales [illegible] [illegible] significantly year-on-year in the first half. Late in the quarter, it also noted an improvement in metal prices, albeit from very low levels.

MIM stressed that its continuing cost-reduction programme "remains firmly in place," and [illegible] [illegible] was continuing its review of assets and investments.

On specific projects, MIM said that production at the McArthur River zinc-lead-silver mining development remained [illegible] schedule for 1995, while [illegible] geological drilling programme had been completed on the Ernest Henry deposit. "Preliminary results from [illegible] indicate that a high-grade concentrate can be made with good metal recovery from the primary ores," MIM said.

Exploration activity remained focused on copper and gold, with expenditure in the first half totalling A$38m.

[illegible] Pasminco, the Australian [illegible] and lead producer, yesterday announced that group metal production fell during the first half [illegible] 1993-4, [illegible]pared with the previous year.

Zinc production was down 11 per cent, due [illegible] the sale of [illegible] Avonmouth smelter in [illegible] UK to MIM Holdings and a scheduled shutdown [illegible] Pasminco Metals-Sulphide.

Woolworths on course in Australia

Woolworths, [illegible] large Australian retailer which [illegible] on the [illegible] market last year, [illegible] yesterday [illegible] it was [illegible] [illegible] [illegible] [illegible] [illegible] prospectus [illegible] [illegible] A$188.5m (US$131m) [illegible] [illegible] in [illegible] [illegible] to June [illegible], writes Nikki Tait.

The reconfirmed forecast, [illegible] subject [illegible] [illegible] results of [illegible] annual stocktake, came [illegible] [illegible] [illegible] reported sales [illegible] A$5.1bn for the [illegible] half [illegible] [illegible] financial year, encompassing the important Christmas period. This compared with sales of A$5.48bn in the [illegible] period of [illegible] previous year.

Woolworths [illegible] that "like-for-like" [illegible] [illegible] increased by 11.2 per cent, with each trading [illegible] with the [illegible]pany posting sales improve[illegible] well in excess of the 2 [illegible] [illegible] inflation rate. [illegible] [illegible] that it [illegible] some signs [illegible] "sus[illegible] economic recovery which bode well for the remaining 24 weeks of our financial year".

[illegible] Australia's high unemployment levels, most big retailers are understood [illegible] have had [illegible] fairly [illegible] Christmas, suggesting [illegible] consumer [illegible] among the nation's shoppers is finally picking up.

WMC may appeal over Seabright

By Nikki Tait

[illegible] Mining Corporation (WMC), [illegible] large Australian mining house, [illegible] yesterday [illegible] was considering [illegible] appeal to [illegible] [illegible] Supreme Court, after the [illegible] Scotia appeal [illegible] [illegible] not [illegible] overturn [illegible] earlier judgment against [illegible] over [illegible] acquisition [illegible] Seabright, [illegible] Nova Scotia exploration company.

It is [illegible] latest of several legal [illegible] for WMC.

WMC, via [illegible] subsidiary, bought Seabright in [illegible] for around C$92m (US$70m), [illegible] part of push [illegible] North America. However, within [illegible] of completing [illegible] acquisition, WMC described Seabright's Beaver [illegible] deposit, thought [illegible] [illegible] [illegible] [illegible] [illegible] most promising assets, [illegible] hopeless. By 1989, [illegible] Australian company had [illegible] Seabright's operations and written off its investment.

[illegible] proceeded [illegible] [illegible] Seabright's president, Mr Terence Coughlan, and other directors, for alleged fraud and negli[illegible]. They counter-sued WMC, levelling a variety of charges, including abuse of [illegible].

Last year, Mr [illegible] Merlin Nunn, in [illegible] Nova Scotia Trial Division, [illegible] [illegible] judgment which [illegible] scathing [illegible] WMC's behaviour. He duly [illegible] [illegible] [illegible] [illegible] [illegible] damages and costs, expected [illegible] [illegible] C$10m, [illegible] the president and six former [illegible] [illegible] Seabright.

Yesterday, in the [illegible] of [illegible] appeal court's decision, WMC [illegible] it still believed [illegible] its [illegible] [illegible] merit, and [illegible] "considering an appeal to the Supreme Court of Canada".

[illegible] Seabright affair has been only one [illegible] several costly legal [illegible] [illegible] WMC, [illegible] [illegible] Australia's largest mining companies, in recent months. It was forced [illegible] hand [illegible] the valuable Ernest Henry copper/gold deposit to Savage Resources in [illegible] out-of-court [illegible] [illegible] WMC's exploration team trespassed on [illegible] [illegible] area, and then failed to [illegible] Savage [illegible] [illegible] work.

And, [illegible] November, [illegible] and [illegible] Minnett paid [illegible] [illegible] settle [illegible] [illegible] in which [illegible] was alleged that a report by [illegible] Australian stockbroker – stating [illegible] WMC's sale of a 50 [illegible] cent [illegible] in the Lady Bountiful gold mine [illegible] "fair and reasonable" – [illegible] negligent. The payment, [illegible] [illegible] [illegible] exploration [illegible] [illegible] Consoli[illegible] Exploration, which had sold [illegible] [illegible] to WMC, was split [illegible] the two firms.

Li Ka-shing buys into San Miguel

By [illegible] [illegible] [illegible] [illegible]

Hong Kong property and telecommunications magnate Mr Li Ka-shing [illegible] bought 10 per [illegible] of [illegible] [illegible] Kong affiliate [illegible] San Miguel, the Philippines' [illegible] giant.

Mr Li's [illegible] [illegible] Holdings bought [illegible] shares in San Miguel Brewery [illegible] HK$280.2m [illegible]. [illegible] purchase was made through subsidiary Conroy [illegible].

Threat to friendship of convenience

MIM's network of investments and commercial ties needs an overhaul, writes Nikki Tait

If [illegible] *Metallgesellschaft* [illegible]cue plan, agreed [illegible] weekend, resolved the immedi[illegible] future of [illegible] German [illegible] [illegible] it did nothing [illegible] [illegible] question [illegible] hanging over [illegible] MIM Holdings.

The [illegible] companies have [illegible] bound together for [illegible] a decade, by share [illegible] in [illegible] [illegible] and [illegible] number of jointly-held commercial interests. From MIM's point of view, the relationship [illegible] [illegible] part [illegible] a broader network of [illegible] holdings. The aim was partly defensive, as protection against corporate raiders, and partly commercial, to [illegible] [illegible] "international development".

For example, via [illegible] relationship with Metallgesellschaft and [illegible] the [illegible] Metall Mining subsidiary in Canada, MIM acquired [illegible] interest in Cominco, [illegible] Canadian natural resources group. Today, MIM's directly-owned [illegible] in Cominco stands [illegible] 8.7 per cent. It is also an equal partner with Canada's Teck Corporation in an investment company, [illegible] Nunachiaq, which [illegible] another 27.7 [illegible] cent.

The problem is that this "investment" strategy, debatable from the outset, has looked increasingly misdirected. Sizeable sums – [illegible] A$1.4bn [illegible] at the last [illegible] [illegible] date – have been [illegible] up [illegible] [illegible] holdings, but returns [illegible] [illegible] paltry. In [illegible], [illegible] example, [illegible] interests [illegible] just [illegible] to [illegible] profits; in [illegible] previous year, under A$44m.

Such lack of performance [illegible] [illegible] to matter more, [illegible] MIM's core [illegible] metals business [illegible] struggled [illegible] [illegible] face [illegible] depressed prices [illegible] [illegible]ionary conditions. In 1992/3, [illegible] group's [illegible] profit slipped by [illegible] [illegible] [illegible] [illegible] A$74m, and yesterday's [illegible] showed [illegible] further [illegible] of A$18.5m. [illegible]tedly, [illegible] [illegible] deficit [illegible] largely [illegible] [illegible] [illegible] A$17.8m abnormal item, and MIM did [illegible] [illegible] tentative recovery in metal prices late in [illegible] quarter. Even so, at [illegible] pre-tax level, profit [illegible] A$31.6m, [illegible] [illegible] [illegible] third [illegible] [illegible] time's A$97.2m.

Debt, by contrast, has been rising; long-term loans topped A$1.8bn at end-June. MIM's [illegible] ratings [illegible] only [illegible] the investment grade [illegible] Standard [illegible] Poor's gives [illegible] "BBB" [illegible].

[illegible] when financial [illegible] forced Metallgesellschaft [illegible] place the bulk [illegible] its 13.9 per [illegible] stake in MIM last month, the spotlight turned [illegible] MIM's general investment strategy. [illegible] ANZ McCaughan [illegible] "[illegible] MIM can [illegible] [illegible] return . . . in [illegible] [illegible] future, the investments should be sold."

In response, MIM has given every signal that it recognises [illegible] problem, and would like [illegible] [illegible] something about it. At the [illegible] annual meeting, the company told shareholders "quite simply, we must make your money work better". [illegible] Fussell, MIM's chief executive, [illegible] that all [illegible] were under review, [illegible] line which [illegible] company has continued [illegible] repeat.

Even before Metallgesellschaft's upheavals, MIM had started [illegible] disentangle [illegible] of [illegible] German commercial ties. A restructuring scheme for the jointly-held zinc smelting inter[illegible] [illegible] devised, [illegible] that both companies would end up with full ownership of specific [illegible]. Some smaller financial investments have also been sold, including a 12.4 per cent interest in Evans Deakin, [illegible] Australian engineering business, [illegible] a 2.4 per cent holding [illegible] [illegible] Goldfields.

But, in dollar terms, [illegible] [illegible] were [illegible] [illegible] main ones. Of [illegible] A$1.4bn "investment" portfolio at end-June, [illegible] Asarco, Cominco/Nunachiaq, Metallgesellschaft holdings accounted for over half. MIM's [illegible] [illegible] cent interest in [illegible] Affinerie, the Hamburg-based [illegible] group in which Metallgesellschaft holds a similar stake, was valued at another A$139.9m.

The problem for MIM is that the uncertainties that now surround Metallgesellschaft, coupled with the depressed metal industry conditions which have led both Cominco and Asarco into [illegible] for the [illegible] nine months [illegible] 1993, make action on these interests a lot more difficult in [illegible] short-run.

The Cominco share price, for example, has tumbled from around [illegible] at end-1989 to [illegible] [illegible] at present. Asarco is little better, having dropped from around A$45 [illegible] about A$27 [illegible] [illegible] same period. There [illegible] even [illegible] [illegible] tions that the workout at Metallgesellschaft could lead [illegible] a sale of Metall-owned [illegible] – which, in turn, might muddy any Cominco share disposal situation [illegible] MIM. MIM says only that it is too early for any comment.

And, in [illegible] meantime, [illegible] Australian group remains vague about whether – or [illegible] – interests, such [illegible] [illegible] 3.5 per [illegible] Metallgesellschaft holding, might be need to be revalued. This would be a matter for directors, says the company; its "normal" practice [illegible] [illegible] review holdings [illegible] [illegible] three-year basis. However, the Queensland group [illegible] add that [illegible] sees "no reason to suppose that exchange [illegible] [illegible] smelting [illegible] will not [illegible] ahead".

Prices for electricity determined for the purposes of the electricity pooling and settlement arrangements in England and Wales.

1/2 hour period ending	Provisional Prices for Trading on 28.01.94 Pool purchase price £/MWh	Final Prices for [illegible] on 23.12.93 Pool purchase price £/MWh	[illegible] price £/MWh
0030	[illegible]	1920	19.20
0100	26.22	20.65	[illegible]
0130	26.22	23.15	24.64
0200	26.22	[illegible]	24.64
0230	26.22	[illegible]	24.64
0300	26.22	23.15	[illegible]
0330	26.22	23.15	[illegible]
0400	26.22	[illegible]	[illegible]
0430	23.15	18.05	18.05
0500	22.70	18.04	[illegible]
0530	22.72	20.79	22.28
0600	22.72	20.71	22.20
0630	21.00	21.46	[illegible]
0700	23.00	22.78	[illegible]
0730	23.71	23.52	25.01
0800	30.78	[illegible]	25.01
0830	30.79	23.52	25.01
0900	30.79	23.52	25.01
0930	30.79	26.47	26.98
1000	30.72	26.47	26.98
1030	26.29	26.47	26.98
1100	24.77	28.65	30.34
1130	24.77	26.47	26.98
1200	24.77	34.03	36.51
1230	24.77	34.03	36.51
1300	24.77	34.03	35.51
1330	24.12	34.03	35.51
1400	23.93	23.52	25.01
1430	23.28	23.52	25.01
1500	23.28	23.52	25.01
1530	23.28	23.52	25.01
1600	23.34	23.52	25.01
1630	36.38	31.33	32.83
1700	44.57	31.35	32.84
1730	48.08	34.07	35.56
1800	47.17	34.06	35.55
1830	28.81	34.04	35.54
1900	27.32	34.04	35.53
1930	26.95	28.74	29.23
2000	26.73	25.58	27.07
2030	24.39	23.52	25.01
2100	24.39	23.52	25.01
2130	23.76	23.52	25.01
2200	23.28	23.52	25.01
2230	23.28	23.52	25.01
2300	18.08	18.07	18.07
2330	17.95	18.04	18.04
2400	17.95	18.02	18.02

Prices are determined for every half-hour in each twenty four hour period. Prices are in pounds per megawatt-hour, rounded to two decimal places. To convert prices to pence per kilowatt-hour the decimal point should be moved one place to the left, eg £18.86/MWh becomes 1.886p/kWh. Provision for the determination of pool prices is made in the Pooling and Settlement Agreements which govern the operation of the electricity pool in England and Wales. The Pool Purchase Price is the basis of the majority of payments made to generators in respect of electricity traded through the pool. The calculation of pool prices is a highly complex process the product of which is subject to revision or correction (and sometimes major alterations) until final pool prices are determined approximately twenty-four days after the day of trading. Accordingly, due to the possibility of their revision and/or correction, no reliance should be placed upon provisional pool prices for any day being the same as final pool prices for that day. Final pool prices are also capable of revision. Pool Selling Price is the price paid by purchasers of electricity under the pool trading arrangements. It is dependent upon the determination of Pool Purchase Price. Further information on pool prices is provided on behalf of the Pool by Energy Settlements and Information Services Limited. Anyone wishing to receive such information should telephone 0612-450780 between 8.30am and 5.15pm Monday to Friday.
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FT-ISMA INTERNATIONAL BOND SERVICE

THE FT-ISMA International Bond Service, published on Monday to Friday in the Financial Times, shows daily prices, provided by the International Securities Market Association, for a selection of the most actively traded Eurobonds and related securities, picked from the sectors which best represent current market conditions.

The service sets out to include certain [illegible] issues within the space available, while still trying to maintain a broad spread of borrowers and currency groups.

Selections are reviewed regularly by the Financial Times and the [illegible] [illegible] Market Association.

LONDON STOCK EXCHANGE DEALINGS

THE INFORMATION shown on this page, which appears every Saturday, is supplied to the Financial Times by the London Stock Exchange.

Stocks shown are selected by the Stock Exchange from among those companies and securities whose prices do not appear in our daily London Share Service.

The Saturday selection changes frequently, [illegible] to the volume of trading in individual [illegible] registered by the Stock Exchange during the week ending on each Thursday. Thus [illegible] dealing takes place in a stock, it will not be [illegible] in the following Saturday Dealings page.

INTERNATIONAL CAPITAL MARKETS

Long gilts rally on renewed hopes of early cut in base rates

By Antonia Sharpe and Tracy Corrigan in London

UK government bonds rallied [illegible] than one point at the long end following the release [illegible] weaker-than-expected retail sales and inflation data [illegible] December, which revived speculation of an [illegible]y cut in inter[illegible] rates.

[illegible] that the public spending borrowing requirement last month [illegible] £2.11bn – well [illegible] the consensus market forecast of £5.1bn – also fuelled the market's rally.

"The data have put the [illegible] [illegible] on a more confident footing," [illegible] Mr Julian Callow, international economist at Kleinwort Benson. He added that the market could be further encouraged by the release tomorrow of preliminary [illegible] domestic product data for [illegible] fourth quarter and December money supply figures.

The March long gilt future [illegible] Liffe rose as high as 120 [illegible] but traded at [illegible] in [illegible] trading, up ⅞ [illegible] the day.

Hopes of a [illegible] cut also lifted the short end where the March short-term Eurosterling future rose to [illegible] from 94.73.

■ German government bonds and futures came [illegible] the day's highs yesterday as traders took the view [illegible] [illegible] Bundesbank would [illegible] announce a cut in official interest [illegible] after its fortnightly council meeting today. Analysts added that nervousness over the situation in Russia and elections in Germany this year also hung over the market.

The Liffe March bund future traded [illegible] 100.58 late in the day in brisk volume of 141,357 lots, [illegible] the day's high [illegible] 100.90 and down [illegible] point from Tuesday's [illegible]

■ Encouraging [illegible] production data for November contributed to the [illegible] tone in [illegible] French government bond market, prompting a further narrowing of the yield differential between 10-year French and German government [illegible] to [illegible] than [illegible] basis points.

Talk of an [illegible] rate cut in France independent of Germany also supported the market. [illegible] March 10-year future settled at 131.12, up 0.10 point on [illegible] day in volume of 181,470 lots.

■ [illegible] that Italian treasury minister Mr [illegible] Barucci had signed [illegible] decree regarding the refund of a 12.5 per cent withholding [illegible] on bond coupon payments [illegible] eligible non-residents lifted Italian bond futures yesterday.

The March futures contract [illegible] Liffe opened at [illegible] and went [illegible] high [illegible] 119.12, but failed [illegible] stay above [illegible] 119 chart resistance point for long. It settled [illegible] at 118.80 in late trading, giving a gain of [illegible] point on the day. Trading volume [illegible] moderate at 65,412 contracts.

Mr Marco Pianelli, southern European economist at Nomura in London, said that the market's upside had been limited by the political uncertainty [illegible] [illegible] [illegible] country's general [illegible] in March.

However, he added that the release tomorrow of favourable preliminary inflation figures for January could provide the bond market with fresh impetus.

■ Japanese government bond futures fell to their lowest close since November 25 as market sentiment remained bearish.

The March [illegible] contract closed at 114.68, down from [illegible] on Tuesday.

■ US Treasury prices failed to react significantly to the release of the Federal Reserve's [illegible] Book, the regional survey of economic conditions, which showed strong growth in the fourth quarter of last year.

Dealers said prices were mixed, despite the fact that the data underlined expectations that the Federal Reserve will start [illegible] tighten monetary policy [illegible] the [illegible] of the first quarter.

"The problem is that we are still waiting [illegible] more economic information, particularly for this year," said one analyst. "It looks as if the market is hanging in there, but this increases the chances of further yield [illegible] flattening."

The market was [illegible] waiting for news [illegible] two- and five-year auctions, which are [illegible] next week.

GOVERNMENT BONDS

SEK offers Swedish krone Eurobond

By Conner Middelmann

[illegible] Export Credit's (SEK) [illegible] offering – [illegible] first global [illegible] krone Eurobond – was [illegible] [illegible] [illegible] the [illegible] yesterday, while [illegible] day's [illegible] [illegible] was [illegible] flurry [illegible] structured floating-rate note issues, mostly in [illegible] dollars.

[illegible] issued SKr2.5bn of [illegible] per cent [illegible] due June 2001, which [illegible] priced [illegible] yield 11 [illegible] points [illegible] [illegible] 13 per cent Swedish government [illegible] [illegible] [illegible] re-offer price [illegible]

The [illegible] from investors [illegible] the [illegible] [illegible] Europe, according [illegible] [illegible] syndi[illegible] [illegible] Merrill Lynch.

[illegible] the [illegible] of the day, [illegible] were trading [illegible] 99.40 bid, [illegible] yield gap having [illegible] [illegible] 10 [illegible] points.

"People are very positive [illegible] [illegible] krone [illegible] they expect [illegible] currency [illegible] appreciate; they [illegible] the yield pick-up [illegible] [illegible] European markets; [illegible] they hope that yields will [illegible] further [illegible] interest [illegible] [illegible] getting cut," [illegible] [illegible] [illegible] another bank, who reported [illegible] [illegible] in the paper.

[illegible] pricing [illegible] on [illegible] tight side, [illegible] pared with [illegible] outstanding SEK krone Eurobonds which yield around 30 [illegible] points [illegible] government bonds. However, global bonds [illegible] [illegible] be more tightly priced as they are considered [illegible] [illegible] more liquid and usually have [illegible] wider investor [illegible]

INTERNATIONAL BONDS

[illegible] also issued $100m of one-year so-called "corridor," [illegible] floating-rate [illegible] structure where [illegible] only [illegible] when three-month Libor [illegible] within [illegible] specific [illegible] during certain [illegible]

Yesterday's other range-[illegible] included $75m [illegible] [illegible] year [illegible] for Rabobank [illegible] via Goldman Sachs; $150m of two-year [illegible] for Canada's Export Development Corporation via Swiss [illegible] Corporation; $100m of two-year [illegible] for Osterreichische Postsparkasse via SBC; $100m [illegible] two-year notes [illegible] the World Bank via Morgan Stanley; and $150m of two-year [illegible] for UBS, [illegible] UBS.

"Structured floaters have [illegible] the flavour [illegible] the month – they're likely to take [illegible] from [illegible] FRNs," [illegible] [illegible] trader. Collared [illegible] [illegible] structured [illegible] that [illegible] coupon [illegible] [illegible] limited by [illegible] [illegible] [illegible] a ceiling [illegible]

The structure [illegible] [illegible] corridor [illegible] implies [illegible] investors [illegible] [illegible] view that short-term [illegible] [illegible] [illegible] will [illegible] [illegible] very volatile, [illegible] [illegible] if they rise, they will do so only very slowly, [illegible] trader [illegible]

"If you call interest [illegible] right, [illegible] [illegible] get very nice returns; [illegible] [illegible] if [illegible] don't, [illegible] [illegible] nothing," [illegible] another [illegible] [illegible] added that [illegible] relatively highly leveraged instruments have [illegible] strong demand from institutional investors and [illegible] [illegible] fund [illegible], [illegible] [illegible] taking [illegible] increasingly aggressive approach [illegible] their portfolios in the current low-yield environment.

In [illegible] dollar sector, [illegible] [illegible] Nacional de Comercio Exterior (Bancomext) [illegible] [illegible] to launch its $1bn 10-year global offering [illegible] Merrill Lynch and Goldman [illegible] today. The bonds [illegible] expected [illegible] [illegible] launched at a spread of 155-165 basis points [illegible] Treasuries.

In the sterling market, [illegible] European In[illegible] Bank [illegible] expected to issue [illegible] 10-year bonds today.

While the pricing is expected [illegible] be tight and [illegible] 10-year [illegible] tor of [illegible] Eurosterling market [illegible] weighed [illegible] with recent supply, the [illegible] are expected [illegible] [illegible] with solid demand from institutional and multi-currency investors.

Elsewhere, the City of Prague was awarded an implied triple-B senior [illegible] rat[illegible] with [illegible] positive outlook by Standard [illegible] Poor's – [illegible] [illegible] investment grade rating [illegible] a municipality in central Europe. The rating comes [illegible] Prague prepares its entry into [illegible] Eurobond [illegible]

According to the city's mayor, Mr Jan Koukal, "obtaining a rating was [illegible] important step in the implementation of our international borrowing plans. [illegible] will [illegible] focus [illegible] obtaining cost-effective and diversified financing."

Pending approval by [illegible] city's governing general [illegible] bly, Prague [illegible] expected [illegible] [illegible] [illegible] market in [illegible] next two months, with market [illegible] focusing [illegible] a $200m-$250m issue [illegible] five-year [illegible]

[illegible] International, [illegible] acted [illegible] Prague's rating adviser, is among the banks tipped [illegible] lead-manage [illegible] issue.

NEW INTERNATIONAL [illegible] ISSUES

Borrower	[illegible] m.	[illegible]	[illegible]	Maturity	[illegible]	[illegible]	[illegible] runner
US DOLLARS							
PIV Investment Fin.(Cay.Is)§	175	(4½-5)#	100.00	Dec.2000	2.50	-	[illegible] Intl.
Union Bank of Switz.Finance‡	[illegible]	(b,e)	100.00R	Feb.1996	0.15R	-	UBS
Export Development Corp.‡	[illegible]	(c,e)	100.00R	Feb.1996	0.15R	-	Swiss [illegible] Corp.
[illegible]	100	(c,e)	[illegible]	[illegible]	[illegible]	-	[illegible]
Oest. Postsparkasse‡	100	[illegible]	[illegible]	Feb.1996	0.15R	-	[illegible] Corp.
S[illegible] Export Credit‡	100	(d,e)	100.00R	Feb.1995	0.15R	-	Morgan Stanley Intl.
Rabobank Nederland‡	75	(k,e)	100.00R	Feb.1995	0.10R	-	Goldman Sachs Intl.
LTCB of Japan‡	60	(f)	[illegible]	[illegible]	[illegible]	-	LTCB [illegible]
ICE, [illegible] Rica	[illegible]	[illegible]	100.0391R	Jan.1997	1.00R	+395(4¾%-96)	Santander Investment [illegible]
D-MARKS							
[illegible] Hypothekenbank‡	[illegible]	(g)	[illegible]	[illegible]	2.30	-	[illegible]
YEN							
[illegible] Bank‡	50bn	[illegible]	[illegible]	Feb.2001	undisl.	-	Nikko [illegible]
FRENCH FRANCS							
Remy Cointreau	700	6.875	99.66R	[illegible]	[illegible]	[illegible] (8½%-99)	Crédit Lyonnais
GUILDERS							
NIO	260	[illegible]	[illegible]R	[illegible]	[illegible]	+12 [illegible]-04)	ABN [illegible]
AUSTRALIA DOLLARS							
[illegible]	250	[illegible]	[illegible]	[illegible]	[illegible]	-	Hambros Bank
[illegible]							
[illegible] Export Credit(i)	2.6bn	[illegible]	[illegible]	[illegible]	0.50R	+11 [illegible]	[illegible] Lynch Intl.
[illegible]							
[illegible] Naturgas	500	[illegible]	101.42	[illegible]	[illegible]	-	Deutsche Bank [illegible]
SWISS FRANCS							
LB Rheinland-Pfalz(j)ф	120	2.25	[illegible]	[illegible]	-	-	Merrill Lynch Cap.Mkts.

Final terms and non-callable [illegible] [illegible]. The [illegible] [illegible] (over [illegible] government bond) at launch is supplied by the lead manager. §Convertible. фWith equity warrants. ‡Floating rate note. #Semi-annual coupon. R: fixed re-offer price; fees are shown at the [illegible] level. a) Conv premium indicated [illegible] [illegible]. Callable at par plus accrued after 3 yrs or earlier subject to 150% rule. Overallotment option: $26.25m. b) Coupon: [illegible] +1%. c) Coupon: 3-mth Libor +⅛%. d) Coupon: [illegible] +⅛%. e) Interest only accrues on days 3-mth Libor falls within specified ranges. f) Coupon: 6-mth Libor +⅛% to 18/2/97 and 8% fxd thereafter. Callable [illegible] Feb.97 at par. g) Coupon: 5⅝% fxd for 1st 2 yrs, 6-mth Libor flat for next 4 yrs and 7% fxd thereafter. h) Coupon: 6-mth Libor +0.3%. i) Short 1st coupon. j) Denom.. [illegible] +70 3-yr wrts. 30 [illegible] [illegible] holder to 1 UBS bearer at SFr1,440. k) Coupon: 4.5 x range factor, semi-annual bond basis.

Volume surges on Budapest exchange

By [illegible] Denton in Budapest

Trading volume on the Budapest stock exchange rose by 450 per cent [illegible] Ft186bn ($1.85bn) in 1993 while [illegible] value of the [illegible] more than doubled to Ft441.8bn, the exchange said in its annual report.

Government bonds and treasury bills made up the bulk of trading, accounting for 69 [illegible] cent of market value at the year-end. The capital[illegible] [illegible] Hungarian shares rose sharply in the last few months, closing [illegible] per cent higher at Ft81.7bn.

The upsurge in equity values was helped by a [illegible] of new issues which lifted the number of listed shares from 23 in January to 28 by December. The exchange expects a further eight to 10 flotations during 1994.

Last [illegible] the exchange installed a VAX-based computer trading system and also set up a central clearing house and depository.

Fund manager links with CIBC

TAL Investment Counsel, Canada's second-biggest pension fund manager, is join[illegible] forces with the Canadian Imperial Bank of Commerce to create a money management group administering C$20bn (US$15.2m) [illegible] [illegible] [illegible] [illegible] Gibbens in Montreal.

[illegible] will contribute C$7bn in [illegible] under administration and will hold 55 per cent [illegible] the new company.

TAL will contribute C$13bn [illegible] hold [illegible] per cent with equal voting rights.

WORLD BOND PRICES

BENCHMARK GOVERNMENT BONDS

		Coupon	Red Date	Price	Day's change	[illegible]	[illegible] ago	[illegible]
Australia		9.500	[illegible]	121.1100	+0.400	6.27	6.33	6.74
Belgium		7.250	[illegible]	[illegible]	+0.180	[illegible]	[illegible]	[illegible]
Canada *		7.500	12/03	[illegible]	+0.500	6.37	[illegible]	6.74
Denmark		7.000	[illegible]	108.3700	-0.330	5.93	5.80	[illegible]
France	[illegible]	8.000	12/98	[illegible]	[illegible]	5.05	4.96	6.05
	OAT	6.750	[illegible]	106.1000	-0.020	5.64	[illegible]	6.50
Germany		6.000	09/03	102.7000	+0.070	5.62	[illegible]	5.70
Italy		8.500	01/04	100.9200	-0.460	8.36†	8.57	8.68
Japan	[illegible]	4.800	06/99	109.8240	-0.860	2.72	2.86	2.49
	No 157	4.500	[illegible]	108.0720	[illegible]	[illegible]	3.01	3.18
Netherlands		5.750	01/04	101.1000	-	5.60	[illegible]	5.70
Spain		10.500	[illegible]	117.4800	+1.380	[illegible]	8.09	8.33
UK Gilts		9.750	[illegible]	114-15	+10/32	[illegible]	5.77	5.61
		6.750	[illegible]	[illegible]	+27/32	6.06	[illegible]	[illegible]
		9.000	10/08	124-03	+46/32	6.43	6.54	6.47
US Treasury *		5.750	08/03	100-08	-1/32	5.72	5.58	5.78
		6.250	08/23	99-15	-7/32	6.29	6.16	6.26
ECU (French Govt)		6.000	[illegible]	100.6900	[illegible]	5.90	5.88	6.15

London closing, *New York mid-day. Yields: Local market [illegible]
† Gross annual yield (including withholding tax at 12.5 per cent payable by nonresidents)
Prices: US, UK in 32nds, others in decimal. Source: MMS International

BOND FUTURES AND OPTIONS

France

■ NOTIONAL FRENCH BOND FUTURES (MATIF)

	[illegible]	Sett price	Change	[illegible]	Low	Est. vol.	Open int.
Mar	131.18	131.12	+0.10	131.34	131.08	181,470	139,120
Jun	130.70	130.82	+0.10	130.82	130.58	1,273	10,912
Sep	[illegible]	129.74	+0.10	[illegible]	[illegible]	2	1,140

■ LONG TERM FRENCH BOND OPTIONS (MATIF)

Strike Price	CALLS Feb	CALLS Mar	CALLS Jun	PUTS Feb	PUTS Mar	PUTS Jun
[illegible]	-	2.26	-	-	0.11	0.61
[illegible]	1.[illegible]	1.35	-	0.06	0.26	0.95
131	0.[illegible]	0.69	1.10	0.25	0.59	1.42
132	[illegible]	0.29	0.65	-	-	-
133	-	0.10	0.40	-	-	-
134	-	-	-	-	-	-

Est. vol. total, Calls 21,685 Puts 18,300. Previous day's open int., Calls 287,741 Puts 325,715.

Germany

■ NOTIONAL GERMAN BUND FUTURES (LIFFE)* DM250,000 100ths of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
[illegible]	100.82	100.65	-0.06	100.90	100.55	142496	149965
Jun	100.73	100.61	[illegible]	100.67	[illegible]	[illegible]	2821

■ BUND FUTURES OPTIONS (LIFFE) DM250,000 points of 100%

Strike Price	CALLS Mar	CALLS Jun	PUTS Mar	PUTS Jun
10050	[illegible]	[illegible]	0.39	0.87
10100	0.32	0.74	0.67	1.13
10150	0.17	[illegible]	1.02	1.45

Est. vol. total, Calls 22934 Puts 15297. Previous day's open int., Calls 158897 Puts 156979

■ NOTIONAL MEDIUM TERM GERMAN GOVT. BOND (BOBL)(LIFFE)* DM250,000 100ths of 100%

	[illegible]	Sett price	[illegible]	High	[illegible]	Est. vol	Open int.
Mar	[illegible]	[illegible]	[illegible]	103.31	[illegible]	[illegible]	[illegible]

Italy

■ NOTIONAL ITALIAN [illegible] BOND (BTP) FUTURES (LIFFE)* Lira 200m 100ths of 100%

	Open	Sett price	Change	High	[illegible]	Est. vol	Open int.
Mar	[illegible]	[illegible]	-0.01	119.12	[illegible]	[illegible]	69215
Jun	119.03	119.05	0.14	[illegible]	119.00	730	1517

■ ITALIAN GOVT. BOND (BTP) FUTURES OPTIONS (LIFFE) Lira200m 100ths of 100%

Strike Price	CALLS [illegible]	CALLS Jun	PUTS Mar	PUTS Jun
[illegible]	1.26	2.51	0.97	2.06
[illegible]	1.01	2.36	1.22	2.31
11950	0.77	[illegible]	1.48	2.57

Est. vol. total, Calls 3193 Puts 3812. Previous day's open int., Calls 46262 Puts 49324

Spain

■ NOTIONAL SPANISH BOND FUTURES (MEFF)

	Open	[illegible]	[illegible]	[illegible]	[illegible]	Est. vol.	Open int.
Mar	[illegible]	[illegible]	+0.03	106.70	106.35	[illegible]	[illegible]
Jun	106.41	106.36	[illegible]	106.49	106.41	310	[illegible]

UK

■ NOTIONAL UK GILT FUTURES (LIFFE)* £50,000 32nds of 100%

	Open	Sett price	[illegible]	High	Low	Est. vol	Open int.
Mar	[illegible]	[illegible]	0-31	[illegible]	119-01	118132	[illegible]
Jun	[illegible]	119-11	0-30	[illegible]	119-13	189	256

■ LONG GILT FUTURES OPTIONS (LIFFE) £50,000 64ths of 100%

Strike Price	CALLS Mar	CALLS Jun	PUTS Mar	PUTS Jun
120	0-61	1-[illegible]	0-61	2-12
121	0-33	1-08	1-33	2-50
122	0-16	0-51	[illegible]	3-29

Est. vol. total, Calls 13518 Puts 14430. Previous day's open int., Calls 89420 Puts 63937

Ecu

■ ECU BOND FUTURES (MATIF)

	Open	Sett price	Change	High	Low	Est. vol.	Open int.
[illegible]	121.62	121.90	+0.40	121.98	121.60	4,679	15,667
Jun	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-	60

US

■ US TREASURY BOND FUTURES (CBT) $100,000 32nds of 100%

	Open	[illegible]	[illegible]	[illegible]	Low	Est. vol.	Open int.
Mar	[illegible]	115-27	[illegible]	[illegible]	115-19	246,804	[illegible]
Jun	114-31	11[illegible]	[illegible]	115-01	114-17	3,792	[illegible]
Sep	113-31	113-22	[illegible]	113-31	[illegible]	2,164	[illegible]

Japan

■ NOTIONAL LONG TERM JAPANESE GOVT. BOND FUTURES (LIFFE) Y100m 100ths of 100%

	Open	Close	Change	High	Low	Est. vol	Open int.
Mar	114.70	-	-	[illegible]	114.62	3072	0

* LIFFE contracts traded on APT. All Open interest figs. are for previous day.

FT-ACTUARIES FIXED INTEREST INDICES

Price Indices UK Gilts	Wed Jan [illegible]	Day's change %	Tue Jan 18	Accrued [illegible]	xd adj. ytd		Low coupon yield Jan 19	Jan [illegible]	Yr. ago	Medium coupon yield Jan [illegible]	Jan [illegible]	Yr. ago	High coupon yield Jan [illegible]	Jan [illegible]	Yr. ago
1 Up to 5 years (25)	[illegible]	+0.29	129.39	1.75	[illegible]	5 yrs	5.57	5.68	7.00	[illegible]	5.94	7.41	5.91	6.05	[illegible]
2 [illegible] years [illegible]	[illegible]	+0.86	162.89	2.83	0.10	15 yrs	6.31	[illegible]	[illegible]	[illegible]	[illegible]	8.83	6.66	6.77	8.11
3 [illegible] 15 [illegible]	189.90	+1.57	[illegible]	0.83	[illegible]	20 yrs	6.43	6.57	8.64	6.45	[illegible]	9.05	6.67	[illegible]	[illegible]
4 Irredeemables (6)	229.30	+2.17	224.42	1.99	0.00	Irred.†	6.55	6.70	9.05						
5 All stocks [illegible]	156.00	[illegible]	156.95	2.18	0.53										

Index-linked							Inflation 5% 2.17	[illegible]	Yr. ago	Inflation 10% [illegible]	2.90	[illegible] ago
6 Up [illegible] 5 years (2)	191.74	+0.10	191.55	1.49	[illegible]	Up to 5 yrs	2.17	2.20	[illegible]	1.39	1.42	1.65
7 [illegible] 5 years (11)	192.97	+0.93	191.18	0.43	0.57	Over [illegible] yrs	2.90	2.95	3.81	2.74	[illegible]	[illegible]
8 All stocks (13)	191.90	+0.85	[illegible]	7.40	[illegible]							

Debentures and Loans						5 year yield Jan 19	Jan 18	Yr. ago	15 year yield Jan 19	[illegible] 18	Yr. ago	25 year yield Jan [illegible]	[illegible] 18	Yr. ago
9 Debs & Loans (68)	156.63	+1.83	155.61	2.52	0.39	[illegible]	[illegible]	8.92	7.40	[illegible]	9.92	7.53	7.71	[illegible]

Average gross redemption yields are shown above. Coupon Bands: Low: 0%-7¾%; Medium: 8%-10¾%; High: 11% and over. † Flat yield. ytd Year to date.

FT FIXED INTEREST INDICES

	Jan [illegible]	Jan 18	Jan 17	Jan 14	Jan 13	Yr [illegible]	High*	Low*
Govt. Secs. [illegible]	106.91	[illegible]	105.75	105.77	[illegible]	93.48	[illegible]	93.28
Fixed Interest	132.79	131.57	[illegible]	[illegible]	131.91	[illegible]	[illegible]	[illegible]

* for 1993/94. Government Securities high since compilation: 127.40 (9/1/35), low 49.18 (3/1/75). Fixed Interest high since compilation: 132.79 (19/1/94), low 50.53 (3/1/75). Basis 100: Government Securities [illegible] 10/26 and Fixed Interest 1928. SE activity indices rebased 1974

GILT EDGED ACTIVITY INDICES

	Jan 18	Jan 17	Jan 14	Jan [illegible]	Jan 12
Gilt [illegible]	[illegible]	[illegible]	123.6	123.7	[illegible]
[illegible]	[illegible]	123.9	[illegible]	[illegible]	[illegible]

FT/ISMA INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market. Latest prices at 7:00 pm on January 19

	Issued	[illegible]	Offer	Chg.	[illegible]
U.S. DOLLAR STRAIGHTS					
Abbey Natl Treasury 6½ 03	1000	101⅛	101⅝	+⅛	6.29
AlbertaProvince 9⅞ 96	600	[illegible]	108⅝		[illegible]
Austria 8½ 00	[illegible]	114⅛	114⅝	+⅛	[illegible]
United Kingdom 7⅛ 97	5500	[illegible]	107	+⅛	[illegible]
Volkswagen Intl Fin 7 03	1000	[illegible]	104⅛	+⅛	6.46
World Bank [illegible]	2000	[illegible]	[illegible]	+⅛	[illegible]
World Bank 5⅞ 98	300	103⅞	[illegible]		[illegible]
Alliance Leics 11⅞ 97 £	[illegible]	11[illegible]	116	+⅛	6.00
British Gas 12⅛ 95 £	300	107⅛	107⅝	-⅛	6.54
British Land 8⅞ 23 £	150	107½	108	+1⅞	8.57
EIB 10 97 £	[illegible]	111⅛	112⅛	+⅛	6.09

Further entries of the FT/ISMA International Bond Service (U.S. Dollar Straights continued, e.g. Bank of Tokyo, Belgium, BFCE, British Gas, Canada, CCCE, Cheung Kong Fin, Council Europe, Credit Foncier, Denmark, ECSC, EEC, EIB, Elec de France, Eurofima, Ex-Im Bank Japan, Export Dev Corp, Finland, Finnish Export, Ford Motor Credit, Gen Elec Capital, GMAC, Ind Bk Japan Fin, Inter Amer Dev, Italy, Japan Dev Bk, Kansai Elec Pwr, LTCB Fin, Matsushita Elec, Nippon Cred Bk, Nippon Tel Tel, Norway; Swiss Franc Straights; Yen Straights; Other Straights; Floating Rate Notes; Convertible Bonds) and the UK GILTS PRICES table: [illegible]

UK GILTS PRICES

[illegible]

■ "Tap" stock. ‡‡ Tax-free to non-residents on application. E Auction basis. xd Ex dividend. Closing mid-prices are shown in pounds.

COMPANY NEWS: UK

QMH calls in the lawyers

By Maggie Urry

Queens Moat Houses, the hotel group currently negotiating a £1.3bn financial restructuring, has had to call in lawyers to sort out an embarrassing technical hitch.

Mr Andrew Coppel, chief executive, said yesterday, "It [illegible] simply [illegible] corporate legal irritation". He [illegible] would not delay the group's refinancing.

QMH admitted it had failed to give holders of its 7 per cent convertible preference shares, which were issued in 1985 in a [illegible] the [illegible] vote in [illegible] 1989 and August [illegible] on resolutions [illegible] group's borrowing powers.

This means the resolutions, which [illegible] the group's borrowing [illegible] not valid. [illegible] also [illegible] question the validity [illegible] other resolutions passed at the same meetings.

However, [illegible] the invalidity of the borrowing [illegible] resolutions did not mean the company's borrowings could be called into question.

The discovery has raised "complex issues" the company said, and it has appointed Freshfields, the City solicitors, and leading [illegible] to advise [illegible] them. Mr Coppel said QMH had been [illegible] it would not need to hold [illegible] year's annual meeting again.

The [illegible] resolutions passed at [illegible] which was [illegible] in August and concluded in November, included the appointment of Mr Coppel [illegible] executive, and in November the adoption [illegible] annual report.

QMH said it would "communicate with [illegible] all other [illegible] parties" [illegible] the position was [illegible]

At the end [illegible] there [illegible] preference [illegible] outstanding, which [illegible] into [illegible] of [illegible] ordinary [illegible] against [illegible] QMH [illegible] in [illegible] present. Each preference [illegible] one [illegible]

The problem [illegible] not [illegible] much larger [illegible] of 7½ per cent convertible preference [illegible] issued in [illegible]

A changing landscape in the race for space

Tesco takes to the Metro line with its programme of 'compact' expansion. Neil Buckley reports

It [illegible] Mr Archie Norman, Asda's chief executive, who first [illegible] ranks with the UK's leading [illegible] of leaner times ahead, [illegible] it [illegible] chairman, Sir Ian MacLaurin, [illegible] change the food retailing landscape.

His announcement yesterday spelt the end [illegible] the [illegible] of unbridled superstore [illegible] sion which [illegible] helped [illegible] usher in.

The Tesco [illegible] the [illegible] few years will be [illegible] different animal from three [illegible] when it launched [illegible] £585m rights issue [illegible] fund its aggressive opening programme.

Then it regarded the ideal [illegible] sq ft [illegible] sq ft, and was celebrating [illegible] opening [illegible] its biggest [illegible] store, [illegible] sq ft.

Capital expenditure for [illegible] to February 1991 [illegible] Tesco [illegible] "we continue [illegible] find [illegible] number of opportunities [illegible] develop... stores on quality sites."

[illegible] with yesterday's assertion [illegible] "it is widely understood [illegible] currently there [illegible] diminishing number of profitable prime superstore sites available."

Tesco added that it [illegible] safeguard [illegible] returns [illegible] investment in [illegible] light [illegible] growing [illegible] on margins.

The admissions [illegible] significant. Some analysts speculated when market leader Sainsbury's launched its price-cutting programme in November that it might have a "hidden agenda". Having recognised the over-capacity in the industry, was it trying to [illegible] one or both [illegible] its main competitors [illegible] cut back their expansion programmes, by putting pressure on margins?

Argyll and Tesco have [illegible] both responded. Argyll [illegible] last month it [illegible] cutting capital spending this [illegible] from [illegible] £550m, and [illegible] pressure to depreciate buildings [illegible]

However, as one analyst put [illegible] yesterday: "Argyll opened the door, and Tesco charged through it."

On depreciation, Tesco is [illegible] lowing Argyll's lead and depreciating buildings [illegible] 40 [illegible] But [illegible] has also recognised that it paid "premiums" [illegible] of its [illegible] above [illegible] alternative [illegible] value, and decided to [illegible] premiums [illegible] leading [illegible] charge [illegible] against profits this year.

[illegible] significantly, it [illegible] cutting spending from £750m [illegible] a projected [illegible]

[illegible] format [illegible] from out-of-town superstores to market towns and city suburbs

£500m [illegible] February [illegible]

Floor [illegible] expansion will be cut back from 1.2m sq ft in [illegible] Tesco also expects the [illegible] new store costs to shrink from £22m [illegible] years.

That reflects [illegible] shift away from out-of-town superstores towards [illegible] Metro city centre format, and [illegible] "compact" superstore format of [illegible] sq ft, aimed [illegible] and city suburbs.

Mr David Reid, finance director, [illegible] expected of 20 proj[illegible] openings in 1996-97, three [illegible] would [illegible] Metros, [illegible] eight compact stores, and [illegible] balance – [illegible] – larger superstores.

[illegible] thinks [illegible] is [illegible] for about 50 [illegible] – with nine planned by September.

It [illegible] yesterday that [illegible] looking at new trading for[illegible], building [illegible] Tesco's existing strengths in selling "grocery and grocery-related products".

It will [illegible] expanding the [illegible] chain in France by up [illegible] six [illegible] a year, generally through organic growth. It [illegible] to have plans for further large acquisitions [illegible] at present.

As UK expansion slows, [illegible] effort will [illegible] into maximising returns from existing space. Tesco insists there is scope for "significant savings" in operating costs, which will then be reinvested in improving service [illegible] try [illegible] enhance customers' loyalty and persuade them to spend more.

It claims some [illegible] in doing [illegible] already, through [illegible] combination of introducing new services such as pharmacies, photo-processing, dry cleaning and counter service for meat, trimming its prices, and introducing the Tesco Value line, which offers basic goods at prices which rival the discounters.

Like-for-like sales for the first 20 weeks of the second half were up 4.5 per cent, which represented [illegible] 2.5 per cent gain in volume, after taking [illegible] inflation of 2 per cent – better than it has achieved for some years.

The spotlight [illegible] shifts back to Sainsbury. It has been saying privately that it [illegible] no need to depreciate, but analysts believe it [illegible] has little choice but [illegible] follow [illegible] rivals not only [illegible] that issue, but in calling [illegible] halt – or at least a slowdown – in the [illegible] for space.

Cadbury to buy French chocolatier for £18m

By Peter Pearse in London and John Ridding in Paris

Cadbury Schweppes, the confectionery [illegible] soft [illegible] yesterday announced [illegible] acquisition [illegible] Bouquet D'Or for [illegible] (£18.4m).

The consideration [illegible] acquired [illegible] and [illegible] adjusted according to the balance sheet [illegible] completion.

The cash payment will be met from Cadbury's resources.

Bouquet D'Or, based in Villeneuve d'Asq, to [illegible] north [illegible] Paris, is [illegible] privately owned [illegible] which [illegible] founded in 1851 as [illegible] family [illegible]

It specialises in boxes of chocolate assortments, particularly praline products, and had sales in the year to April 30 1993 [illegible] FFr257m.

Following the acquisition, the [illegible] will [illegible] managed by Chocolat Poulain, a subsidiary of the UK group.

[illegible] Thierry Boutell, [illegible] ing [illegible] Poulain, [illegible] Bouquet D'Or products would [illegible] be [illegible] under [illegible] own brand.

"We have not bought [illegible] company [illegible] its brand but to develop it", he [illegible]

Mr Boutell [illegible] sales [illegible] Poulain [illegible] Bouquet D'Or [illegible] represent [illegible] of the French chocolate market [illegible] put Cadbury Schweppes in third place in terms [illegible] market share, behind [illegible] and Lindt [illegible] Switzerland.

[illegible] French [illegible] has [illegible] effects [illegible] by [illegible] 2 per cent last year.

Le Syndicat de la [illegible], the [illegible] association of confectionery producers, estimates the size of the French chocolate market at about FFr11bn.

Greycoat shows interim loss but recovery starts

By Simon Davies

Greycoat yesterday [illegible] further pre-tax [illegible] at the interim stage, but operating profit [illegible] interest payments as [illegible] recovery from [illegible] of receivership. The management also announced the end of [illegible] programme of property disposals.

In addition, it [illegible] Mr Geoffrey [illegible] will [illegible] down as chairman [illegible] financial year, [illegible] Mr [illegible] and [illegible] Julian Treger, the two men who formulated the company's rescue package, will join as non-executive directors.

The management of Greycoat [illegible] – one [illegible] the [illegible] aggressive [illegible] of the 1980's, [illegible] almost collapsed from [illegible] combination [illegible] rising debt [illegible] falling [illegible] values – [illegible] it [illegible] now [illegible] a position [illegible] looking at financing [illegible] future property developments.

The company announced [illegible] pre-tax loss [illegible] £43.5m (£44m), but [illegible] £5.2m in [illegible] ganisation costs, [illegible] losses [illegible] properties, and £7.4m from the redemption [illegible] the company's [illegible] coupon bonds, all of which [illegible] part of the restructuring. Mr Richard Guignard, [illegible] director, finance, [illegible] profit in [illegible] half [illegible] the [illegible]

[illegible] company intends to eliminate its profit and [illegible] deficit [illegible] £149.1m, as part [illegible] the proposals [illegible] in [illegible] restructuring document. It will apply for court permission [illegible] standing to [illegible] of the [illegible] premium [illegible] further £47.1m of [illegible] shares, arising from [illegible] restructuring.

Mr Wilson [illegible] in [illegible] statement: "We have an [illegible] lished record of successful commercial property development."

Turnover amounted [illegible] primarily from gross [illegible] and [illegible] should see a [illegible] with the phasing out [illegible] rent free periods [illegible] portion [illegible] its portfolio. [illegible] were 49.5p [illegible] There is [illegible] dividend.

Daejan rises to £8.4m

Daejan Holdings, [illegible] property [illegible] yesterday announced pre-tax profits up [illegible] for [illegible] year [illegible] September 30.

The company said that full-[illegible] profits [illegible] likely [illegible] be similar [illegible] reported [illegible] which amounted [illegible] some £14.2m, excluding [illegible] surplus arising on disposal [illegible] subsidiary company.

The interim dividend is maintained [illegible] 12p from [illegible] ings per share of 31.85p (30.84p).

[illegible] rental income [illegible] (£7.91m) and there [illegible] a [illegible] (£4.16m) surplus [illegible] of trading properties.

Operating profits [illegible] continuing activities [illegible] virtually [illegible] £10.1m [illegible] there was a £482,000 (£354,000) surplus [illegible] the [illegible] investment properties.

Zofran approval in Japan

By Daniel Green

[illegible] has [illegible] approval in Japan to sell one [illegible] its fastest growing products, Zofran, which [illegible] the [illegible] of cancer chemotherapy.

Zofran will be competing against a [illegible] Beecham product, Kytril. The Japanese market is unusual in [illegible] Kytril [illegible] there 18 [illegible] ago. In most [illegible] countries, Zofran [illegible] approved [illegible]

Analysts yesterday estimated [illegible] annual [illegible] Kytril in Japan were already worth [illegible] Zofran [illegible] advantage over Kytril in [illegible] it has been approved for both injections and [illegible] Kytril is only available as an injection, although this is [illegible] of delivering [illegible] drugs in cancer chemotherapy.

The [illegible] in Japan is in [illegible] spring.

Signs of OFT approval for Granada bid

By Raymond [illegible]

[illegible] were growing signs last night [illegible] the Office of Fair Trading has cleared the Granada bid for LWT, subject to [illegible] condition [illegible] the advertising [illegible] houses involved really [illegible] operate on an arms length [illegible]

The OFT [illegible] the bid, has, [illegible] believed, now [illegible] to Mr Michael Heseltine, the trade [illegible] industry secretary.

[illegible] intention was [illegible] an announcement today, but it is not clear whether [illegible] will [illegible] possible [illegible] Mr [illegible] commit[illegible]

The [illegible] Television Commission has made it [illegible] that it is prepared to [illegible] system [illegible] Walls between [illegible] being, as [illegible] as there are no shared directors [illegible] business [illegible] the [illegible]

[illegible] ITC is reviewing [illegible] rules on advertising [illegible]

Kent Corporation goes into receivership

By [illegible] Taylor, [illegible] Correspondent

Kent Corporation, the [illegible] and electrical [illegible] tractor and one of Ireland's biggest employers, went into receivership yesterday.

The [illegible], which [illegible] headquarters in Tipperary and employs about 6,000, [illegible] latest to fall victim [illegible] the [illegible] struction industry recession.

[illegible] work [illegible] included contracts for [illegible] troubled Hotel [illegible] complex in Barcelona and [illegible] major electrical engineering [illegible] at Guys Hospital in London, which [illegible] has been subject to [illegible] dispute.

Problems [illegible] hospital [illegible] are thought to have contributed to [illegible] group's downfall.

Mr Rory O'Ferrall [illegible] Mr [illegible] Butler of [illegible] & Touche [illegible] yesterday appointed receivers [illegible] group.

In [illegible] separate [illegible] Mr Terry Carter and Ms Maggie Mills [illegible] Ernst & Young were appointed administrative receivers [illegible] Kentz, the [illegible] subsidiary which employs [illegible] 500 work[illegible]

DIVIDENDS ANNOUNCED

	Current payment	[illegible] payment	Corres - ponding [illegible]	[illegible] for [illegible]	[illegible] last [illegible]
Barbour Index ......int	2.7	Apr 6	2.55	-	[illegible]
Beales Hunter ......int	2.55	Feb 25	[illegible]	-	[illegible]
Crest Nicholson ......fin	1	Apr [illegible]	0.01	1	0.01
Daejan Holds ......int	12	[illegible]	[illegible]	-	27
Davenport Vernon......fin	2.7	Apr [illegible]	2.5	4.2	[illegible]
Electron House ......int	1.2	Apr [illegible]	1.06	-	2.6
Exmoor Dual Tst ......int	2.25☆	[illegible]	[illegible]	-	[illegible]
Lon' Clydeside §......fin		[illegible] 22	2.7	4.8	4.5
London Scottish ......fin	2.37	[illegible] 17	2.05	3.4	[illegible]
RCO Holdings ......fin	10.25	Apr 1	8.24	15.2	13.86
Rubicon ......int	1.8†	Apr [illegible]	1.5	-	[illegible]

Dividends shown pence per share net except where otherwise stated. †On increased capital. [illegible] ☆ First interim on income shares.

London Scottish Bank 18% ahead to £4.54m

By Alison Smith

London Scottish [redacted] the consumer finance [redacted] announced an [redacted] cent increase in pre-tax profits in the [redacted] to the end [redacted] October 1993.

The company highlighted the restoration of profitability in consumer credit in taking their pre-tax profits to £4.54m compared [redacted] in the previous [redacted]

Income from [redacted] loans rose by 3 per cent [redacted] £19.59m (£18.96m), while commission on debt collecting rose by 16 per cent to £6.41m (£5.51m).

Finance [redacted] for funding lending fell by 4 per [redacted] (£2.62m), [redacted] a [redacted]

In August, the company bought a debt portfolio from RLJ Finance, which includes [redacted] spread [redacted] period of [redacted] years. Income from debt portfolios acquired [redacted] to [redacted]

Income from the sale of Christmas hampers, which [redacted] sharply in the previous year to make [redacted] marked contribution to profits, [redacted] down slightly to £1.1m (£1.16m).

There [redacted] however, [redacted] slight fall in [redacted] income [redacted] (£3.84m).

Mr [redacted] Livingstone, chair[redacted] emphasised the efficiency improvements that the company, which makes consumer loans and [redacted] on behalf of [redacted] companies, had made [redacted] the [redacted] performing [redacted] its 106 branches, and also the [redacted] it had [redacted] in [redacted] new computer system.

Mr Livingstone also announced his intention [redacted] retire in March [redacted] and the appointment then of Mr Martin West, the chief executive, as chairman. Mr Livingstone will be a non-executive director after he steps down.

The bank is already looking for [redacted] chief [redacted] and hopes [redacted] will be in place in October [redacted] begin [redacted] transitional period. [redacted] whole [redacted]tive team is due to retire over the [redacted] "There [redacted] lot [redacted] wrinklies [redacted] board now," Mr Livingstone said.

The board [redacted] of [redacted] per [redacted] in [redacted] final dividend to 2.37p (2.05p) making a 3.4p [redacted] total.

[redacted] shares put on 6p [redacted] 112p.

Barbour Index warns on full year

By Peter Pearse

[redacted] in [redacted] 15p [redacted] 218p yesterday on [redacted] specialist information [redacted] for [redacted] months [redacted] end-April [redacted] "be somewhat below [redacted] of [redacted] year".

The news accompanied the interim results [redacted] showed [redacted] fall [redacted] pre-tax profits [redacted] for [redacted] period [redacted] end-October. Turnover fell [redacted] per [redacted] to [redacted]

Mr [redacted] Dunn, [redacted]tive, [redacted] was disappointed in [redacted] results, but added [redacted] he [redacted] surprised by [redacted] given [redacted] group's reliance on [redacted] construction industry. [redacted] Barbour's income derives from that [redacted] safety information[redacted]

The [redacted] was expected to "show some growth".

To underline [redacted] group's confidence in the long-term future and its [redacted] position" – it [redacted] £4.3m (£4.4m) [redacted] balances – [redacted] interim [redacted] is [redacted] 2.7p (2.55p).

[redacted] supplies information of all kinds, though not advice, [redacted] markets like architects [redacted] engineers. [redacted] produces [redacted] supplies a directory of building products [redacted] 21,000 registered specifiers.

Mr [redacted] to be launched expert information systems [redacted] group's markets, stressing [redacted] many professionals [redacted] large [redacted] of wide-ranging [redacted] fingertips.

Mr Dunn [redacted] on [redacted] construction side, renewal [redacted] improved [redacted] over [redacted] still [redacted] 15 per [redacted] fall-off for lapsed subscriptions or failed businesses. New sales remain[redacted] at [redacted] low level.

It was the same for health and safety, though here renewal rates were held at [redacted] "very good" 90 per cent.

Earnings declined [redacted] 8.1p (10.9p) per share.

Competing for market shares

Norma Cohen looks at two new business information providers

When the [redacted] Exchange [redacted] it would no longer be [redacted] provider of information to [redacted] markets, it opened up new vistas for [redacted]mercial providers to step [redacted]

For years, the Exchange's Topic service was [redacted] sole provider of live [redacted] Exchange prices [redacted] the first to unveil corporate [redacted] from companies whose shares [redacted] listed. [redacted] Reuters Holdings, the [redacted] information [redacted]vice, challenged the Exchange's right [redacted] operate a monopoly on that [redacted] and [redacted] Exchange was [redacted] first [redacted] compete.

[redacted] then, the Exchange [redacted] decided that it cannot [redacted]pete commercially and has [redacted] partnerships with two [redacted] providers; Telekurs, [redacted] operator [redacted] jointly by [redacted] of [redacted] banks, and ICV, [redacted] privately owned company providing real-time data services [redacted] professional financial companies throughout Europe. Topic is [redacted] to [redacted] of this year.

Today, Telekurs formally launches [redacted] Topic Plus and Topicline Plus services, [redacted] succeed the Stock Exchange's service, [redacted] says [redacted] already has orders for [redacted] 500 screens [redacted] institutions.

Earlier [redacted] week, ICV [redacted] Market-Eye [redacted]vice, [redacted] replace Topic, and says [redacted] orders for [redacted] screens.

Reuters is already operating [redacted] Equity Focus product.

Officially, Telekurs [redacted] ICV [redacted] no competition between them. Telekurs [redacted] developed [redacted] product [redacted] aimed [redacted] large [redacted] the ICV product [redacted] private [redacted] and [redacted] fund management firms.

"We [redacted] aiming [redacted] professional [redacted] of [redacted]ket," [redacted] Tudor Morgan, Telekurs managing director. "Competition with [redacted] is the big thing."

Fund managers, stockbrokers [redacted] say [redacted] three [redacted] competing fiercely with each other for market share in [redacted] which [redacted] expected [redacted] grow exponentially. "There [redacted] Topic users," [redacted] Morgan said. "We'd like to think that 50 per cent of [redacted] will be Telekurs [redacted] by [redacted] year."

There is [redacted] than just [redacted] Topic business. The provider with [redacted] greatest market [redacted] greatest opportunity to [redacted] other services [redacted] effectively piggyback [redacted] screens already in place.

The [redacted] services [redacted] not great, but [redacted] the small [redacted] will make a great [redacted] in their [redacted] choice.

The prices [redacted] muchness; Telekurs charges [redacted] a year [redacted] service, with significant discounts for orders of [redacted] or [redacted] ICV charges [redacted] terminal, [redacted] in line with [redacted]

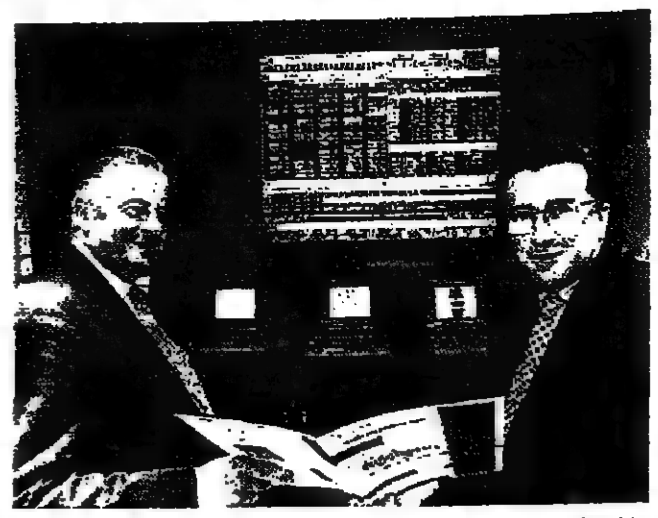
The [redacted] are in the [redacted] with which [redacted] can [redacted] and [redacted] quantity [redacted] method of display. Both [redacted] and Telekurs [redacted] a "Windows" format and [redacted] hold [redacted] mouse to flip between pages. By April, Telekurs will be [redacted] to offer its [redacted] feeds from other stock exchanges [redacted] London, one of the key attractions now [redacted] only by [redacted] It also [redacted] other unusual features such as [redacted] ability [redacted] scan [redacted] front pages of leading UK newspapers.

Also, up until late last year, Reuters [redacted] been resisting demands from potential clients [redacted] it modify its system [redacted] allow them to receive direct feeds of data from some leading [redacted] firms which offer [redacted] themselves. This [redacted] was said to be driving some fund managers into the [redacted] competition, particularly Telekurs.

However, last November Reuters changed its [redacted] users [redacted] and [redacted] offering [redacted] pay [redacted] stockbroking firms for the [redacted] rewriting [redacted] compatible [redacted] its own system.

But market [redacted] say that [redacted] ICV system offers the greatest [redacted] because it most closely replicates the Topic system that many brokers, now in their 40s and 50s, have grown up with.

"Users are not [redacted] in learning [redacted] new car," [redacted] an official at [redacted] integrated securities firm which will need some 35 to 70 [redacted] Topic, the ICV system [redacted] a keypad [redacted] help users [redacted] information, [redacted] users [redacted] quick and reliable. "Reuters [redacted] not easy to [redacted] does not have the same [redacted] of Topic," [redacted]



[redacted] Andrew Hugh Smith, chairman [redacted] the Stock Exchange (left), with [redacted] Morgan, managing [redacted]

Second Consolidated plans to make £25m capital repayment

By Bethan Hutton

Second Consolidated, [redacted] which took [redacted] unquoted and illiquid [redacted] Drayton [redacted] Invesco, [redacted] planning [redacted] capital repayment [redacted] about £25m [redacted] realising [redacted] half of [redacted]

[redacted] remains of Drayton Consolidated in November 1992, and [redacted] managed by Foreign [redacted] Colonial, with [redacted] intention [redacted] winding it up within [redacted] to five years.

The [redacted] a [redacted] per [redacted] in [redacted] value for [redacted] trust's first year [redacted] end-October, while the [redacted] price rose 72.7 [redacted] cent [redacted] 171p. The [redacted] net [redacted] has fallen from 36.8 per cent to 11.4 [redacted] cent.

There [redacted] be an ordinary dividend of 2.1p, but this level [redacted] likely [redacted] as investments [redacted] sold. The capital repayment, by [redacted] capital reduction, [redacted] planned for [redacted] March, subject [redacted] share[redacted] approval.

[redacted] totalled £12.1m [redacted] end-October, but [redacted] proceeds have increased to £29.7m. [redacted] trust [redacted] disposed [redacted] 40 per [redacted] in [redacted] Industries, [redacted] cable television compo[redacted] company, realising £5.3m, [redacted] holding in Peregrine International Holdings, realising £7m.

The placing of [redacted] Oak [redacted] complicated by US securities regulations, which meant the [redacted] was unable [redacted] at short notice when [redacted] price [redacted] height. Further gradual disposals [redacted] more straightforward.

[redacted] geographical distribution of the [redacted] has [redacted] US weighting, [redacted] disposals [redacted] in [redacted] UK, [redacted] strongest growth [redacted] in [redacted] portfolio, particularly [redacted] for 64.5 per [redacted] of [redacted] portfolio, against 45.1 per [redacted] initially.

MEPC shares rise on upbeat statement

[redacted] in MEPC, [redacted] property [redacted] 561p yesterday [redacted] Lord Blakenham, [redacted] chairman, told the annual meeting that [redacted] company [redacted] in [redacted] far healthier position than [redacted] ago with gearing at [redacted] cent.

[redacted] said the property market in general [redacted] on [redacted] move.

On Tuesday, Mr James Tuckey, chief executive, said the company's Northridge Fashion Centre in the San Fernando Valley, Los Angeles, had been affected by the earthquake in southern California.

However, the group had substantial insurance [redacted] cover against earthquake damage, including business disruption and loss of rent. MEPC acquired the property last month.

Eastern to supply power to McDonald's in Wales

By Michael Smith

Eastern Electricity yesterday [redacted] a high profile [redacted] a new competitive section of [redacted] power market when it announced a [redacted] supply 500 McDonald's restaurants in England [redacted] from April.

[redacted] said the contract, estimated [redacted] be worth £12m annually, is the biggest and [redacted] comprehensive deal announced in [redacted] market [redacted] users of between [redacted] kilo[redacted] megawatts.

Eastern's shares rose 9½p [redacted] 674p, although part [redacted] the increase [redacted] attributable [redacted] week to buy [redacted] of [redacted] equity to boost earnings per share.

From April [redacted] 45,000 England and Wales [redacted] of between [redacted] 1MW of electricity will for [redacted] time [redacted] to pick which company [redacted] their supplies from.

Previously they have been able to buy only from the monopoly distributor which supplies their region. The change will [redacted] the physical [redacted] of [redacted] electricity [redacted] is generated by separate [redacted] This [redacted] because suppliers trade rather than generate electricity.

Virtually [redacted] of [redacted] fall into [redacted] 100kw to 1MW [redacted] Mr [redacted] McDonald's [redacted] building [redacted] engineer, [redacted] the [redacted] of about [redacted] on [redacted] UK bill, including franchise stores, [redacted] £18m.

Eastern was chosen after quotes from 1[redacted] suppliers, including [redacted] of the other regional electricity companies.

Crest seeks £19m for return to offensive

By Simon Davies

Crest Nicholson, the Surrey-based house builder and commercial property developer, yesterday announced a £19.1m rights issue to expand its land bank and increase development activities, after three years [illegible] retrenchment.

The announcement [illegible] accompanied by the release of better than expected profit figures for the year to October 31.

Some 22.53m new shares are to be issued at 88p on [illegible] 1-for-4 basis. This represents an 18 per [illegible] discount to Tuesday's closing [illegible] price [illegible] 108p. Holders of [illegible] preference [illegible] will [illegible] new shares for every 1,000 held.

The ordinary [illegible] price closed up 6p at 114p.

Pre-tax profits for 1993 came to £2.13m after an exceptional charge of £2m, which resulted from [illegible] judgment against Crest Nicholson [illegible] its failure to complete on a land purchase in 1988.

The figures for [illegible], [illegible] for FRS 3, [illegible] a £975,000 loss.

Sales in the 12 months [illegible] 15 per [illegible] ([illegible]).

Mr John Callcutt, [illegible] executive, said the rights [illegible] would provide funds for the expansion [illegible] short-term land bank – diversifying away from its core southern focus – and the redevelopment of [illegible] of its higher margin strategic land holdings.

The company is emerging from [illegible] of [illegible] following the collapse in [illegible] prices in 1990 [illegible] 1991.

Mr Callcutt [illegible] "In the [illegible] three years, we have been [illegible] from [illegible] brink. We [illegible] now in [illegible] position [illegible] gearing has come [illegible] down to 39 per cent, and [illegible] have done this without calling on [illegible]."

The management would [illegible] [illegible] below [illegible] per cent, compared [illegible] a [illegible] rights gearing [illegible] of 17 per [illegible].

The dividend of 1p [illegible] Crest's first pay-out since [illegible]. Earnings [illegible] share [illegible] to 0.01p ([illegible] losses).

● **COMMENT**

This rights [illegible] seal on a remarkable turnround [illegible] company's fortunes since [illegible] in July 1991. Net debt [illegible] more [illegible] halved, [illegible] £40m, turnover of [illegible] hit record levels despite the [illegible] group has successfully [illegible] bulk of its lower margin [illegible] acquired [illegible] peak [illegible] late [illegible] property [illegible] current [illegible] profits. The [illegible] enjoyed pre-tax profits of £37.1m in [illegible] October [illegible] but analysts [illegible] expect [illegible] to revisit [illegible] levels for [illegible] time.

Clive Littler, finance director (left) and John Callcutt: [illegible] better than expected profits and a [illegible]

Lasmo's Kalimantan reserves upgraded

By Robert Corzine

Lasmo, [illegible] independent oil exploration and production company which [illegible] been suf[illegible] prices, yesterday announced [illegible] upgrade [illegible] proved reserves of [illegible].

[illegible] figure for the [illegible] production sharing [illegible] in Kalimantan, Indonesia, [illegible] been increased by [illegible] barrels [illegible] oil equivalent. [illegible] the [illegible] largest liquefied [illegible] plant [illegible] Bontang. [illegible] new exploratory drilling [illegible] by independent [illegible] of [illegible] of recoverable [illegible].

Analysts [illegible] positive long-term development [illegible] Lasmo, [illegible] finding [illegible] industry [illegible] have [illegible] short-term profits, [illegible] company's financial position will [illegible] under [illegible] finance [illegible] development [illegible] Liverpool Bay.

Mr [illegible] Darby, [illegible] executive, [illegible] further [illegible] upgrades [illegible] were likely, although they might not [illegible] large.

● [illegible] of eight oil companies which [illegible] and Poors, [illegible] rating [illegible], yesterday warned could [illegible] low oil prices. [illegible] companies [illegible] ratings [illegible] on "[illegible] with negative implications" [illegible] Chemical, [illegible] Richfield, Enterprise Oil, [illegible] Hydro, Oryx Energy, [illegible] and [illegible] Energy Resources.

Components side behind rise at Electron House

By David Blackwell

[illegible] House, [illegible] electronic components distributor, lifted pre-tax profits from £579,000 [illegible] £1.61m [illegible] the six [illegible] November [illegible].

Mr Robert Leigh, chairman, said group [illegible] in the components market [illegible] risen by [illegible] per cent, compared with an overall [illegible] improvement of [illegible] cent.

Turnover from continuing operations [illegible] by 29 [illegible] cent, from £35.9m [illegible].

Electronic component sales in the UK [illegible] from £16.9m to £25.8m. [illegible] in Australia moved [illegible] £6.54m and in New Zealand from £2.23m [illegible]. Operating profits from components [illegible] (£1.44m).

However [illegible] group's [illegible] remaining systems businesses, which accounted for [illegible] per [illegible] of turnover, fell into the red to the tune of £296,000, compared with a previous profit [illegible]. [illegible] down from [illegible] to £10.7m.

Mr Leigh said that CEM Computers, the systems division in Northern Ireland, was building [illegible] substantial service and support business. But Bytech Systems, where [illegible] had been reduced by [illegible] per cent, would take time to return to profitability, [illegible] would probably remain in the red in the second half.

[illegible] interest payable [illegible] from £732,000 to [illegible] borrowings were down from £9.1m [illegible] £4.5m, cutting gearing from 80 [illegible] cent to [illegible] per cent.

In 1994, when [illegible] components market [illegible] increase by [illegible] further [illegible] per cent, [illegible] expects [illegible] raise [illegible] further, [illegible] Mr Leigh.

This [illegible] in part [illegible] customers [illegible] cutting down [illegible] number of their suppliers, [illegible] the benefit of [illegible] major distributors. [illegible] Electron [illegible] fourth or fifth biggest in [illegible] UK.

Earnings per share [illegible] from 1.1p [illegible] 3.74p. The interim dividend [illegible] lifted [illegible] 1.2p (1.05p).

Acquisitions behind 60% rise at Rubicon

Profits of Rubicon Group rose from £1.22m to £1.94m pre-tax for the half year ended Novem[illegible]. [illegible] 60 per [illegible] improvement was [illegible] the back of a £13m rise in turnover to £23.44m.

Acquisitions were behind the advance. High Speed Production, [illegible] of precision metal components [illegible] assemblies, [illegible] turnover [illegible] operating profits in [illegible] four months [illegible] it joined [illegible] group.

Prior [illegible] the purchase, Rubicon's sole interest was in the [illegible] of shop equipment.

Mr George Duncan, chairman, [illegible] result [illegible] achieved in the face of a disappointing [illegible] shop equipment business.

[illegible] the importance of the [illegible] by HSP, [illegible] acquired in July [illegible] shares, [illegible] and [illegible].

Mr Duncan [illegible] HSP [illegible] benefiting from strong underlying market growth and improved [illegible].

Earnings [illegible] in the half [illegible] emerged [illegible] 7.8p (7.2p) [illegible] being [illegible] 1.5p [illegible] 1.8p.

Davenport Vernon up 29%

A good [illegible] half performance left Davenport Vernon, [illegible] motor group, [illegible] pre-tax profits [illegible] by 29 per [illegible] to £2.11m [illegible] September [illegible].

[illegible] expanded by [illegible] per [illegible] against £114.1m.

Earnings per [illegible] were [illegible] (8.1p) [illegible] 4.2p [illegible] through [illegible] final payment of 2.7p (2.5p).

[illegible] at halfway improved [illegible] year-end [illegible] by [illegible] half [illegible] of [illegible] per [illegible].

[illegible] increase, [illegible] from continuing operat[illegible].

Beales Hunter shows 5% advance to £1.43m

Despite [illegible] lower [illegible] textiles side, Beales [illegible] pre-tax profits by 5 per cent from £1.36m to £1.43m in [illegible] year [illegible] by [illegible] to £27m.

At [illegible] operating level, profits [illegible] to £1.6m, including £20,000 [illegible] acquired during the year. Higher interest of £173,000 [illegible] of [illegible] acquisitions.

Earnings [illegible] share edged [illegible] from 10.4p [illegible] 10.6p, [illegible] is stepped up [illegible] 2.55p (2.45p).

The refrigeration division – including new subsidiary [illegible] – increased [illegible] profits. Obtaining installation business remained difficult, but [illegible] levels [illegible] improve.

The electrical [illegible] also showed [illegible] improvement, mainly as [illegible] plugs. [illegible] recovery was [illegible] seen [illegible] of [illegible] plugs, sockets [illegible] connectors [illegible] product manufacturers.

[illegible] to be [illegible] by low margins. [illegible] said [illegible] at the present [illegible] of profitability, [illegible] division [illegible] required a [illegible] to produce [illegible] acceptable level of return.

TSB Scotland tops £82m despite rising bad debts

By [illegible] Buxton

[illegible] Scotland, the Scottish [illegible] of [illegible] TSB Group, [illegible] pre-tax profit in [illegible] year [illegible] 31 by [illegible] per [illegible] from [illegible].

Operating profit was up 11 [illegible] income ratio fell from [illegible] per [illegible] in [illegible] 52.1 per [illegible].

Mr Alastair Dempster, [illegible] executive, acknowledged [illegible] the rise in the pre-tax figures [illegible] dwarfed by [illegible] jump from £5m to [illegible] in TSB Group's pre-tax profits, [illegible] week.

He pointed out that TSB [illegible] been consistently profitable during [illegible] parent company's difficult years, with pre-tax profits rising steadily from [illegible] in [illegible].

The bank, which focuses [illegible] lending [illegible] individuals, [illegible] a higher [illegible] of bad [illegible] in [illegible] than [illegible] 1992.

Lower interest costs aid London & Clydeside

With the help of much lower interest charges, London & Clydeside Holdings, [illegible] USM-quoted [illegible] throughout Scotland, reported an [illegible] rise in pre-tax profits in the [illegible] to [illegible] 30.

Lower turnover of £21.2m was because last year's figure of [illegible] included the [illegible] of [illegible] block for £2.5m. After [illegible] payable of £913,000 (£1.58m), pre-tax profit [illegible] £742,000 (£404,000).

This year's result would [illegible] been higher [illegible] for [illegible] write-down connected with [illegible] Glasgow [illegible] developed by [illegible] company.

Earnings [illegible] rose 79 [illegible] to [illegible] and the final dividend has been [illegible] to [illegible] making 4.8p (4.5p) for the year.

RCO Holdings little changed at £4.77m

Despite "the most [illegible] conditions in the history of the company", RCO [illegible] reported maintained [illegible] profits and [illegible] the [illegible] 1.

The supplier [illegible] integrated site [illegible] a pre-tax profit [illegible] from turnover of [illegible] for the period, against a profit of £4.72m [illegible] turnover [illegible] in the previous [illegible] period.

[illegible] the operating [illegible] profits were [illegible] and with [illegible] holdings increasing [illegible] £5.8m [illegible] net [illegible] receivable rose [illegible].

A final dividend [illegible] 10.25p [illegible] makes a 15.2p [illegible] total. The dividend [illegible] covered by earnings per [illegible] (29.16p).

NEWS DIGEST

Division losses increase

Division Group yesterday [illegible] increased [illegible] £503,000 for the year [illegible] October 31 on sales up £1m at [illegible].

[illegible] which [illegible] the [illegible] in May and which [illegible] "virtual reality" soft[illegible] and [illegible] for profes[illegible] users, had expected the increased loss, which compared with a £107,000 deficit in 1992. Shares fell by [illegible] to 89p.

Operating loss was [illegible] (£94,000) and the deficit [illegible] jumped to 2.1p (1p).

Placing and open offer for Andaman

Andaman Resources, the Bel[illegible] mineral exploration [illegible] it had proceeded with [illegible] placing and open offer indicated last month to finance [illegible] exploration [illegible].

Some 4m new ordinary [illegible] have [illegible] placed [illegible] with 4.65m new ordinary offered [illegible] qualifying [illegible] of £820,000. Those [illegible] subscribed for have [illegible] conditionally placed by [illegible] Stanley.

[illegible] placing [illegible] open [illegible] are unconditional, Mr Rudolph de [illegible] Mr Michael Halsey will be co-opted to the board and Mr P Curistan [illegible] Mr J Goodger will [illegible] Mr [illegible] McCullough will become chairman.

NFC makes £2.7m French purchase

NFC, through its subsidiary [illegible] Logistics France, [illegible] acquired Transports Léridon for FFr24m (£2.7m).

Léridon, which has annual revenues of about £8.5m, is one of the leading temperature-controlled transport and distribu[illegible] companies in the [illegible] region.

[illegible] employs 140 people [illegible] operates a 10,000 [illegible] m tempera[illegible] Rungis, near Orly, [illegible] a fleet [illegible] 60 [illegible].

An initial £2m [illegible] paid [illegible] the [illegible] of £700,000 [illegible] in January [illegible].

Tops pays £14m for two shopping centres

Tops Estates [illegible] paid [illegible] for two Lancashire shopping [illegible]tres.

[illegible] for [illegible] shopping [illegible] – 3½ [illegible] Ashton-Under-Lyne and 3 acres [illegible] Bridge, [illegible] – was [illegible] cash out [illegible] available [illegible].

The company said [illegible] additions [illegible] investment portfolio, which have [illegible] combined rent roll of more than £1.4m (with 10 rent reviews presently outstanding), offered [illegible] "outstanding opportunity for substantial growth".

Constantine joins the caravan club

[illegible] Holdings, the family-owned property and transport services group, [illegible] purchased a majority stake in Carisfield, the holding company of [illegible] Caravans (Consett), from its management and Northern Venture Manag[illegible].

The management [illegible] a [illegible] interest.

Property sale falls at Coutts Consulting

Coutts Consulting Group, which provides training and consultancy services [illegible] and other financial [illegible] and operates residential training centres, [illegible] completion of the sale of its [illegible] Berkshire property, Winkfield Place, for £1.3m, had not taken place [illegible] of [illegible] by [illegible] purchaser.

Accordingly, [illegible] deposit of £65,000 had [illegible] the property was being [illegible]keted. A [illegible] approaches had [illegible] received, it [illegible].

EFM in further Asian investment

Edinburgh Fund Managers [illegible] acquiring a 10 [illegible] stake in Creditcapital Asset Management Company, a [illegible] fund management organisation in India.

Creditcapital manages a [illegible] mutual funds aimed [illegible] the Indian retail market.

Earlier [illegible] month Edinburgh Fund Managers announced the launch of [illegible] investment trust specialising in smaller companies in [illegible]ing Asian markets, [illegible] be known [illegible] the Edinburgh [illegible] Tiger Trust.

Massey Ferguson in Japanese link

Massey Ferguson, [illegible]-owned farm equipment group, [illegible] Iseki of Japan have agreed to co-operate in the UK [illegible] Irish markets for turf and [illegible] equipment.

MF's grass equipment division [illegible] appointed exclusive distributor for Iseki products [illegible] February 1. [illegible] is one of the world's biggest manufacturers of compact tractors.

The move has [illegible] prompted by the largely complementary [illegible] of the two companies' [illegible] machinery [illegible] and builds on existing co-operation between them elsewhere.

COMMODITIES [illegible] AGRICULTURE

Hopes of success grow at Brussels aluminium talks

By Kenneth Gooding, Mining Correspondent, in [illegible]

Expectations of [illegible] substantial co-ordinated cut in [illegible] aluminium production increased yesterday after [illegible] delegates from the main producing countries decided [illegible] continue their negotiations into an unscheduled third day.

"We [illegible] would [illegible] talking while we [illegible] still making progress," [illegible] one [illegible].

However, there [illegible] some indications [illegible] the talks were taking longer than the [illegible] days originally scheduled because [illegible] determination not to shift from its opening offer.

Delegates [illegible] concentrating [illegible] how [illegible] of up [illegible] a [illegible] of annual output could [illegible] shared [illegible] Russia and [illegible] of the world. A sudden surge in Russian exports [illegible] following a collapse [illegible] demand, which had [illegible] largely for its military machine, [illegible] widely blamed for the aluminium surplus, which [illegible] driven down prices recently [illegible] all-time lows in real terms.

Taking part in the negotia[illegible] with Russia are [illegible] representatives from Australia, Canada, the 12-nation European Union as one body, Nor[illegible] and the US.

[illegible] incentive [illegible] the Russia, second only [illegible] the [illegible] an aluminium producer, to co-operate, the western governments are offering financial and technical help [illegible] the Rus[illegible] industry.

On the other hand, [illegible] no agreement [illegible] reached, US producers are likely immediately [illegible] *make anti-dumping* charges against [illegible] Russian industry. However, this pro[illegible] might [illegible] a [illegible] to complete.

[illegible] EU already [illegible] imposed import restrictions on aluminium [illegible] Commonwealth [illegible] Independent [illegible] which [illegible] until [illegible] of February.

Argentine officials sacked over disease outbreak

By John Barham in [illegible]

Argentina's agriculture department has sacked top officials [illegible] the [illegible] animal health service for incompetence in allowing [illegible] outbreak of foot-and-mouth disease in Patagonia, [illegible] region [illegible] been [illegible] of the dis[illegible].

The department promises it will be "absolutely inflexible" [illegible] the region's worst out[illegible] of foot and mouth in 20 years. Senasa [illegible] already ordered the killing of [illegible] cattle and sheep since the dis[illegible] first [illegible] the end [illegible].

[illegible] specialists [illegible] that they [illegible] disinfected and quarantined 50 small [illegible] in [illegible] 20km radius around the tourist city of Bariloche and ordered the vaccination of 60,000 animals.

However, a Senasa official claimed [illegible] problem [illegible] like a "drop in a huge [illegible] There [illegible] in [illegible] region and they [illegible] healthy".

Among [illegible] properties [illegible] Mr Lucio Benet[illegible] Pilcaneu farm, where [illegible] government ordered [illegible] slaughter of almost 10 per cent [illegible] sheep.

Senasa [illegible] the outbreak started at a [illegible] farm near Bariloche, where [illegible] may [illegible] been infected by illegal feeds. An official [illegible] spread rapidly [illegible] "there [illegible] been [illegible] growth in tourism and [illegible] in cattle movements [illegible] meet [illegible]".

However, [illegible] Agriculture department suspects that [illegible] foot-and-mouth virus [illegible] from the country's infected northern region.

[illegible] government [illegible] spent about $400m since [illegible] campaign to rid Argentina of the disease.

Japanese crop setback may herald new rice age

By Alison Maitland

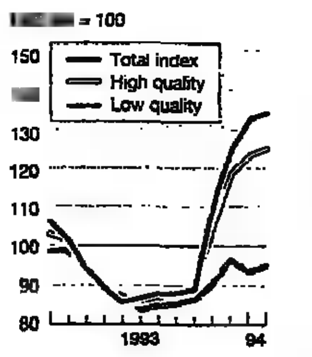
European consumers will soon be paying at least 15 per cent more for rice because of [illegible] harvests and crop failures in the main producing countries, most notably Japan.

The United Nations' Food and Agriculture Organisation estimates [illegible] Japanese harvest fell by about [illegible] per cent [illegible] year [illegible] 9.7m tonnes, and this has forced the government to import huge [illegible] rice to its previously closed market.

Heavy [illegible] such an important rice consumer has triggered [illegible] near doubling in international prices [illegible] September, fuelled by smaller supplies than [illegible] being available from some other big producing countries.

"I've been in this trade for [illegible] and I've [illegible] seen [illegible] year quite like the one we've had," [illegible] Mr Danny Driscoll, director in charge of [illegible] UK food [illegible] & Brotherton, which has seen a 110 per cent [illegible] in the price of [illegible] unmilled US long grain rice [illegible] $440 [illegible] tonne. "But then, Japan has [illegible] come into the market before."

FAO rice export price



Japan announced in September that typhoons and a cold summer would [illegible] it [illegible] import [illegible] of rice. The international rice industry now estimates that it [illegible] in the market for [illegible] to [illegible].

Rice supply and demand have tended [illegible] fairly [illegible]. But the [illegible] of [illegible] harvests has upset everyone's calculations.

Crops in China, India, North Korea and the Philippines were hit last year by exceptionally [illegible] or stormy weather, while cool conditions affected the South [illegible] crop. In Europe, the Spanish crop was down by *about one-third* [illegible] severe dry weather [illegible] the Seville region.

The FAO estimates that world output of paddy [illegible] fell [illegible] about 520m tonnes, 6m tonnes [illegible] than the record harvest in 1992. It predicts that, [illegible] result, world trade in rice will rise [illegible] an all-time high [illegible] at least 14.6m tonnes this year, some 800,000 [illegible] than last year.

The type [illegible] rice favoured by Japanese [illegible] is high quality short-grain Japonica rice, [illegible] mainly in [illegible] US and Australia apart from Japan. But the industry [illegible] that its requirements [illegible] exceed available exports and [illegible] it [illegible] consider buying long grain Indica rices [illegible] the US and [illegible] Thailand.

According [illegible] the FAO, Japan bought 200,000 tonnes in early October, contracted for further amounts for delivery in December and [illegible] confirmed that it will import [illegible] tonnes in the first quarter [illegible] this year.

"Although [illegible] indications were given on the volume [illegible] be imported after March, it would [illegible] that substantial quantities may still be needed to cover the shortfall," the FAO said.

There [illegible] been no let-up in the [illegible] in world prices and buyers are running out of the stocks they bought in advance to protect against [illegible] price changes. As the new US crop arrives on the European market, consumers are next in line [illegible] the [illegible].

In addition to [illegible] rice price, European consumers are [illegible] by a levy on rice imports into the European Union. [illegible] world prices rise, [illegible] meant [illegible] fall, to keep prices [illegible] But [illegible] rise [illegible] 80 per [illegible] in world prices [illegible] so [illegible] been met by a fall in import [illegible] of only [illegible] 12.5 per cent and the industry wants the European Commission to reduce them further.

[illegible] Rice, a leading brand rice manufacturer, is raising its prices of American long grain rice by 15-20 per cent this month in the UK and continental European markets and [illegible] there may [illegible] further increases later in the year.

"It's a very moveable feast; 3m tonnes is a hell of a lot to mop up," said Mr Tim Smith, Tilda marketing controller. "It depends where Japan does finally source all its requirements. If a huge proportion of that shortfall has to be taken [illegible] from the [illegible] that puts extra cost pressures on rice from the US, and [illegible] goes for Thailand."

Mr Smith [illegible] if Japa[illegible] developed [illegible] for imported long-grain rice, [illegible] cost three or four [illegible] produce than domestically-grown [illegible] rice, they [illegible] push international prices higher still.

"We could be at the [illegible] of a new rice age," of rising prices, he warned.

Australian farmers enjoying bumper year

By Nikki Tait in Sydney

Australian grain farmers [illegible] seeing [illegible] near-record production [illegible] the [illegible] spring growing conditions out[illegible] Queensland, an [illegible] in [illegible] area planted, [illegible] some "excellent" [illegible] weather.

According [illegible] Bureau of Agricultural and [illegible] Economics, [illegible] crop production [illegible] be [illegible] tonnes, only 700,000 [illegible] than the record grain harvest [illegible] in [illegible]. This figure [illegible] with the estimated [illegible] tonnes har[illegible] year.

Mr Chrys Papadopoulos, Abare's [illegible] and livestock [illegible] branch [illegible], said [illegible] this should result in higher [illegible] incomes, despite [illegible] likely [illegible] in [illegible] returns [illegible] barley.

The country's wheat [illegible] is estimated to be about 18.2m [illegible] – up from [illegible] tonnes last [illegible] but still well short of [illegible] harvested in [illegible].

However, [illegible] year, [illegible] hectares, [illegible] significantly smaller than [illegible] hectares, indicating [illegible] much higher yield. The barley [illegible] to [illegible] tonnes, nearly 1.3m tonnes more [illegible] last year's record crop.

Pakistan's textile producers call for halt to cotton exports

By [illegible] in Lahore

Pakistan's largest textile manufacturing association, [illegible] Textile Manufacturers' Association, [illegible] urging [illegible] immediately halt [illegible] cotton exports as a step [illegible] prevent further [illegible] of raw [illegible]rial after [illegible] season's crop losses.

The association estimates [illegible] only [illegible] bales of cotton will [illegible] produced [illegible] year, down from [illegible] earlier crop tar[illegible] of 12m bales. That [illegible] of production would be 1m bales below the local industry's requirement.

Mr Tariq Saigol, chairman of APTMA has urged the government to cancel export orders for 500,000 [illegible] cotton, by either declaring *force majeure* and fulfilling export commitments [illegible] of next year's crop, or by just paying penalties if contracts have to be cancelled.

"It would [illegible] strange [illegible] we export cotton [illegible] import it [illegible] industrial needs," he said.

[illegible] Saigol [illegible] urged [illegible] government [illegible] lower [illegible] rates, which are [illegible] present around [illegible] cent, [illegible] step towards easing financial pressure on [illegible] textile industry.

In addition, he [illegible] float of [illegible] rupee [illegible] bridge [illegible] about [illegible] per cent [illegible] official and open market [illegible] as [illegible] way [illegible] encour[illegible] exports.

The latest demands from APTMA follow [illegible] year-long recession in the local textile industry, where the association claims [illegible] manufacturers have [illegible] to [illegible] of operation 1.2m spindles [illegible] of 6.5m [illegible] continuing losses.

According to Mr Saigol, another 500,000 spindles would be at a risk of closure in the coming months [illegible] the government announced [illegible] relief [illegible].

Many economists see the [illegible] industry's troubles [illegible] major [illegible] for Pakistan's [illegible] boost [illegible] exports. Almost 58 per cent of the country's export earnings are generated by [illegible] of cotton products.

"Our whole structure of [illegible] economy is too heavily dependent [illegible] textiles. [illegible] tile sector needs [illegible] revamped and revived," said [illegible] Saigol.

MARKET REPORT

Coffee futures plunge

Speculative selling in [illegible] York market sparked [illegible] a COFFEE price plunge yesterday afternoon [illegible] London [illegible] the low[illegible] levels since [illegible]. The March position dipped [illegible] a [illegible] close, [illegible] $34 [illegible] day.

[illegible] little [illegible] such a move, but having failed to [illegible] out on [illegible] upside, disappointed longs [illegible] liquidated. "[illegible] looking tired," [illegible] "and some [illegible] out."

[illegible] the fall had been exacerbated by the lack of [illegible] the way [illegible].

At [illegible] London Metal Exchange COPPER [illegible] ZINC prices opened sharply higher but [illegible] under increasing [illegible] as [illegible] day progressed.

A chart break-out [illegible] York's Commodity Exchange (Comex) [illegible] on Tuesday [illegible] the copper market soaring and at one stage the three months position reached a four month high of $1,912 a tonne, over 10 per cent up this year and 18.5 per cent above its 1993 low. But with analysts and chartists warning that the rise was becoming over-extended and with Comex falling back, prices dropped during the afternoon before last kerb business at $1,882, still up $34 a tonne from Tuesday's close.

[illegible] had [illegible] day's rise but ran into resistance near $1,060 a tonne and settled back to a final trade at $1,030 [illegible] tonne, down $12 on [illegible].

ALUMINIUM prices [illegible] ground [illegible] news was [illegible] the Brussels talks on [illegible] oversupply.

Compiled from Reuter

COMMODITIES PRICES

BASE METALS

LONDON METAL EXCHANGE

([illegible] from [illegible] Trading)

■ ALUMINIUM, [illegible] PURITY ([illegible] per tonne)

	Cash	3 mths
Close	1185-7	1205-6
Previous	1189.5-90.5	1208.5-9.5
High/low	[illegible]	1215/1202
AM Official	1191-1.5	1210-0.5
Kerb close		1204-5
Open int.	271,217	
Total daily turnover	64,414	

■ [illegible] ALLOY ($ per tonne)

Close	1019-21	1043.5-5
Previous	1018-20	1043-4
High/low		1048/1042
[illegible] Official	1024-6	1048-50
Kerb close		1045-50
Open int.	2,636	
Total daily turnover	208	

■ LEAD ($ per tonne)

Close	497-8	510-1
Previous	496-7	509-9.5
High/low	[illegible]	[illegible]
[illegible]	503-3.5	514-4.5
Kerb close		510-1
Open int.	17,365	
Total daily turnover	[illegible]	

■ NICKEL ($ per tonne)

Close	5780-5	5845-50
Previous	5725-30	5790-2
High/low	5795	5910/5835
AM Official	5780-3	5855-60
Kerb close		5835-40
Open int.	50,323	
Total daily turnover	6,198	

■ TIN ($ per tonne)

Close	5005-10	5050-60
Previous	4975-85	5030-40
High/low		5100/5040
AM Official	5015-20	5070-5
Kerb close		5080-5
Open int.	17,386	
Total daily turnover	5,943	

■ ZINC, [illegible] high [illegible] ($ per tonne)

Close	1016-7	1035-6
Previous	1020-1	1039-40
High/low		1053/1028
AM Official	1023-4	[illegible]
Kerb close		1029-31
Open int.	100,453	
Total daily turnover	34,054	

■ COPPER, grade A ($ per tonne)

Close	[illegible]	[illegible]
Previous	1829-30	1851-2
High/low	[illegible]	[illegible]
AM [illegible]	1883.5-4	1907-8
Kerb close		1881-6
Open int.	253,665	
Total daily turnover	135,994	

■ LME AM Official £/$ rate: 1.[illegible]

LME Closing £/$ rate: 1.4915

[illegible] 3 mths:1.4838 [illegible] 9 mths:1.4734

■ HIGH GRADE COPPER (COMEX)

	Close	Day's change	[illegible]	[illegible]	Open int	[illegible]
[illegible]	86.50	-0.25	87.20	86.50	[illegible]	130
[illegible]	86.70	+0.10	86.90	86.10	1,269	2
Mar	86.70	-	87.70	[illegible]	38,917	11,166
Apr	86.60	+0.10	87.50	[illegible]	738	2
May	86.50	+0.20	87.20	85.80	[illegible]	1,787
Jun	86.55	+0.20	87.00	86.15	851	4
Total					66,945	4,5[illegible]

PRECIOUS METALS

■ LONDON BULLION MARKET

([illegible] supplied by N M Rothschild)

Gold (Troy oz.)	$ price	£ equiv.
Close	391.20-391.60	
Opening	392.60-393.00	
Morning [illegible]	392.70	262.939
Afternoon fix	391.70	262.428
Day's High	393.20-393.60	
Day's Low	390.90-391.30	
Previous close	391[illegible]	

Loco Ldn Mean Gold Lending Rates (Vs US$)

1 month	2.76	6 months	2.79
2 months	2.76	12 months	2.85
3 months	2.75		

Silver Fix	p/troy oz.	US cts equiv.
Spot	356.50	532.25
3 months	361.10	536.30
[illegible] months	365.35	540.55
1 year	373.70	550.15

Gold Coins	$ price	[illegible] equiv.
Krugerrand	392-395	261-264
Maple Leaf	402.25-404.75	-
New [illegible]	92-95	61-64

Precious [illegible] continued

■ GOLD COMEX (100 Troy oz.; $/troy oz.)

	Sett price	Day's change	High	low	Open int	Vol.
[illegible]	392.1	-1.0	-	-	-	-
Feb	392.7	-0.9	394.0	391.3	[illegible]	35,392
Mar	393.6	-0.9	-	-	32,063	9,647
Apr	394.6	-0.9	[illegible]	393.0	24,636	[illegible]
Jun	396.7	-0.9	[illegible]	[illegible]	4,699	175
Aug	398.7	-0.9	399.0	[illegible]	3,191	50
Total					[illegible]	[illegible]

■ PLATINUM NYMEX (50 Troy oz.; $/troy oz.)

[illegible]	395.3	-1.5	-	-	100	4
[illegible]	395.5	-1.5	397.0	394.0	[illegible]	[illegible]
Jul	397.3	-1.5	[illegible]	396.5	2,366	22
[illegible]	398.8	-1.5	397.5	397.5	376	4
[illegible]	400.2	-1.5	-	-	[illegible]	20
Total					19,205	[illegible]

■ [illegible] NYMEX (100 Troy oz.; $/troy oz.)

Mar	125.00	-1.15	[illegible]	125.00	3,066	213
Jun	124.75	-1.15	126.00	125.00	[illegible]	76
[illegible]	[illegible]	-1.15	-	-	91	1
Dec	[illegible]	-1.15	-	-	[illegible]	1
Total					[illegible]	[illegible]

■ SILVER COMEX (100 Troy oz.; Cents/troy oz.)

Jan	532.5	-	533.0	530.0	1	1
Feb	533.3	-	532.0	532.0	1	5
[illegible]	534.7	-	541.0	518.0	71,418	20,412
[illegible]	538.1	-	544.0	521.0	[illegible]	380
Jul	541.3	-	548.0	525.0	[illegible]	[illegible]
Sep	[illegible]	-	[illegible]	[illegible]	[illegible]	[illegible]
Total					111,477	[illegible]

ENERGY

■ CRUDE OIL NYMEX (42,000 US galls. $/barrel)

	Latest price	Day's change	High	Low	Open int	Vol
Feb	[illegible]	+0.12	15.40	14.87	44,189	34,694
[illegible]	[illegible]	[illegible]	15.36	14.95	111,618	[illegible]
Apr	15.16	-0.03	[illegible]	[illegible]	[illegible]	11,149
May	15.30	[illegible]	[illegible]	[illegible]	28,019	4,541
Jun	15.48	-0.[illegible]	15.63	15.44	40,420	1,821
Jul	15.59	-0.[illegible]	15.77	15.59	17,441	1,126
Total					432,392	106,461

■ [illegible] OIL IPE ($/barrel)

	[illegible]	[illegible]	High	Low	Open int	[illegible]
[illegible]	13.94	+5	[illegible]	[illegible]	[illegible]	[illegible]
Apr	13.97	+4	14.12	13.92	27,882	10,251
May	14.11	+3	14.24	14.07	11,136	2,431
Jun	14.26	+6	14.35	14.22	7,529	1,668
Jul	14.47	+15	14.52	14.43	6,708	150
Aug	-	-	-	-	2,904	-
Total					144,651	[illegible]

■ HEATING OIL NYMEX (42,000 US galls.; c/US [illegible])

	Latest price	[illegible]	[illegible]	Low	Open int	[illegible]
Feb	[illegible]	+0.01	[illegible]	[illegible]	[illegible]	24,381
Mar	46.90	[illegible]	48.10	[illegible]	[illegible]	[illegible]
Apr	[illegible]	[illegible]	46.30	[illegible]	28,174	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]	29,842	[illegible]
Jun	[illegible]	-0.25	45.30	[illegible]	21,047	[illegible]
Jul	[illegible]	-0.20	46.00	[illegible]	14,379	[illegible]
Total					203,219	56,744

■ GAS OIL IPE ([illegible])

	Sett [illegible]	Day's [illegible]	High	Low	Open [illegible]	[illegible]
Feb	145.50	+0.75	147.50	144.50	34,871	8,530
Mar	144.75	+0.75	147.00	144.50	18,759	4,845
Apr	143.75	+1.25	146.00	[illegible]	[illegible]	1,592
May	[illegible]	+0.50	[illegible]	[illegible]	[illegible]	912
Jun	143.75	+1.75	[illegible]	143.50	[illegible]	1,125
Jul	[illegible]	[illegible]	146.25	[illegible]	7,733	291
Total					116,388	15,551

■ NATURAL GAS NYMEX (10,000 mmBtu.; $/mmBtu.)

	[illegible] price	Day's change	High	Low	Open [illegible]	[illegible]
Feb	[illegible]	[illegible]	2.380	2.220	21,504	12,232
Mar	2.085	[illegible]	2.160	2.070	17,522	[illegible]
Apr	2.005	[illegible]	2.045	1.980	17,076	4,772
May	1.960	[illegible]	2.000	[illegible]	[illegible]	1,549
Jun	[illegible]	[illegible]	[illegible]	[illegible]	7,259	517
Jul	[illegible]	[illegible]	[illegible]	1.920	7,396	966
Total					132,057	[illegible]

■ UNLEADED GASOLINE

NYMEX (42,000 US galls.; c/US galls.)

	Latest price	Day's change	High	Low	Open int	Vol
Feb	41.10	-0.32	[illegible]	[illegible]	27,352	11,251
Mar	42.25	-0.20	43.00	[illegible]	31,648	[illegible]
Apr	45.50	-0.15	46.15	45.45	28,853	[illegible]
[illegible]	46.40	-0.20	47.00	46.40	30,374	1,347
Jun	47.10	-0.20	[illegible]	[illegible]	[illegible]	[illegible]
Jul	47.50	[illegible]	[illegible]	[illegible]	2,514	77
Total					136,066	24,858

[illegible] AND OIL [illegible]

■ WHEAT LCE (£ per tonne)

	Sett price	[illegible] change	High	Low	Open [illegible]	Vol
[illegible]	[illegible]	+0.05	[illegible]	99.50	42	-
Mar	[illegible]	-	100.10	99.85	1,832	37
May	101.10	-	[illegible]	[illegible]	1,751	62
[illegible]	101.95	-	[illegible]	101.85	[illegible]	30
[illegible]	90.55	[illegible]	[illegible]	90.50	137	22
Nov	91.60	+0.05	[illegible]	91.50	690	13
[illegible]					[illegible]	[illegible]

■ WHEAT CBT (5,000bu min; cents/60lb bushel)

Mar	[illegible]	[illegible]	378/0	371/4	130,155	52,515
[illegible]	353/6	-3/4	357/4	353/4	46,235	10,355
Jul	339/6	[illegible]	346/4	339/2	76,686	[illegible]
Sep	[illegible]	[illegible]	[illegible]	[illegible]	11,270	[illegible]
[illegible]	350/0	-6/4	[illegible]	[illegible]	11,590	[illegible]
Jul	327/0	+3/0	[illegible]	327/0	20	-
Total					[illegible]	[illegible]

■ MAIZE CBT (5,000 bu min; cents/56lb bushel)

[illegible]	296/4	-6/6	300/0	[illegible]	[illegible]	[illegible]
May	300/4	-6/4	[illegible]	[illegible]	[illegible]	79,960
Jul	301/6	[illegible]	[illegible]	301/4	398,315	[illegible]
[illegible]	[illegible]	-3/6	286/0	[illegible]	[illegible]	[illegible]
Dec	267/6	-2/6	270/2	267/2	205,980	[illegible]
Mar	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total					[illegible]	[illegible]

■ BARLEY LCE ([illegible] per tonne)

Jan	[illegible]	[illegible]	-	-	37	-
Mar	105.15	-0.30	-	-	716	-
[illegible]	[illegible]	-0.35	-	-	208	-
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	40	5
Nov	[illegible]	-0.15	94.85	94.85	53	5
Jan	[illegible]	+0.25	-	-	-	-
Total					1,046	10

■ SOYABEANS CBT (5,000bu min; cents/60lb bushel)

Jan	699/4	-2/4	702/0	697/0	8,010	10,930
Mar	[illegible]	[illegible]	[illegible]	704/2	422,695	176,295
[illegible]	711/2	-3/0	715/4	[illegible]	[illegible]	35,385
Jul	711/0	-2/0	714/4	708/4	165,060	27,110
Aug	703/0	-2/0	706/4	702/4	27,870	1,820
[illegible]	[illegible]	-	[illegible]	[illegible]	17,210	480
Total					[illegible]	[illegible]

■ SOYABEAN OIL CBT ([illegible]; cents/lb)

Jan	30.21	-0.22	30.47	[illegible]	2,874	[illegible]
Mar	30.28	-0.12	30.43	30.05	44,898	[illegible]
May	[illegible]	-0.15	30.10	29.75	[illegible]	3,571
Jul	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	26.90	-0.05	[illegible]	[illegible]	[illegible]	241
Sep	[illegible]	[illegible]	[illegible]	[illegible]	4,438	138
Total					100,805	[illegible]

■ SOYABEAN MEAL CBT (100 tons; $/ton)

Jan	[illegible]	-1.6	198.3	[illegible]	1,204	1,825
Mar	[illegible]	-1.8	197.5	[illegible]	39,934	12,965
May	197.3	-1.2	[illegible]	[illegible]	15,984	[illegible]
Jul	198.1	-1.4	[illegible]	198.0	[illegible]	2,528
Aug	198.5	-1.1	197.9	[illegible]	[illegible]	474
Sep	[illegible]	-0.7	196.0	196.3	[illegible]	320
Total					[illegible]	30,957

■ POTATOES LCE (£/tonne)

[illegible]	135.0	-	-	-	34	-
[illegible]	[illegible]	-0.4	[illegible]	102.5	[illegible]	[illegible]
[illegible]	121.3	-0.6	[illegible]	[illegible]	713	[illegible]
Jun	[illegible]	-	-	-	2	-
Nov	85.0	-	-	-	-	-
Mar	105.0	-	-	-	-	-
Total					2,560	202

■ FREIGHT (BIFFEX) LCE ($10/index point)

Jan	1326	[illegible]	[illegible]	1225	[illegible]	14
[illegible]	1250	-20	1261	1250	221	17
Mar	1288	-1	-	-	160	-
Apr	1285	-10	1285	1275	1,016	20
Jul	1152	-13	1165	1150	223	15
Oct	1310	+2	-	-	221	-
Total					[illegible]	[illegible]

	[illegible]	Prev
BFI	[illegible]	1244

Cotton

No spot or shipment sales were recorded in Liverpool for the week ended January 14, against 146 tonnes in the previous week. Activity was severely restricted and business was on narrow lines. Cost of raw cotton deterred users from increasing their purchases.

SOFTS

■ [illegible] LC[illegible]

	Sett price	Day's change	High	Low	Open int	Vol
Mar	914	-7	[illegible]	912	31,869	1,425
[illegible]	923	-8	937	917	14,829	2,881
Jul	934	[illegible]	949	933	[illegible]	769
[illegible]	947	-9	960	945	[illegible]	206
[illegible]	962	-8	971	[illegible]	[illegible]	[illegible]
Mar	975	-7	985	974	24,894	114
Total					124,126	[illegible]

■ COCOA CSCE (10 tonnes; $/tonnes)

[illegible]	[illegible]	-41	1165	1120	[illegible]	2,549
May	1157	-40	1198	1156	[illegible]	1,074
Jul	1190	-38	1228	[illegible]	[illegible]	[illegible]
Sep	1210	-43	1250	1210	[illegible]	9
Dec	1237	-40	1271	1238	8,448	9
Mar	1262	-34	1290	1262	[illegible]	[illegible]
Total					[illegible]	[illegible]

■ COCOA (ICCO) (SDR's/tonne)

Jan 18	Price	Prev. day
Daily	[illegible]	943.73
Jan 18		
10 day average	[illegible]	924.02

■ [illegible] LCE [illegible]

Jan	1153	-32	1183	[illegible]	372	197
Mar	1169	-34	1200	1166	14,604	2,175
[illegible]	1175	-32	1202	1175	10,935	2,034
Jul	1168	-32	1198	[illegible]	2,704	[illegible]
Sep	1172	-28	1200	1170	1,382	[illegible]
[illegible]	1173	-28	1200	[illegible]	894	1
Total					[illegible]	[illegible]

■ COFFEE 'C' CSCE (37,500lbs; cents/lbs)

[illegible]	72.50	-2.15	[illegible]	72.00	[illegible]	[illegible]
May	74.15	-2.10	75.70	[illegible]	12,301	1,129
Jul	75.65	-2.10	77.10	[illegible]	3,538	291
[illegible]	77.15	[illegible]	[illegible]	77.00	2,631	[illegible]
Dec	79.00	-1.50	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	80.75	-1.50	80.80	[illegible]	765	1
Total					66,360	8,303

■ [illegible] (ICO) (US cents/pound)

Jan [illegible]	Price	Prev. day
Comp. daily	69.64	69.46
15 day average	[illegible]	[illegible]

■ No7 PREMIUM [illegible] LCE (cents/lbs)

Mar	10.52	-0.[illegible]	-	-	[illegible]	-
[illegible]	11.07	-	11.06	11.00	[illegible]	120
Jul	11.27	-0.01	-	-	2,863	-
Oct	11.05	+0.06	-	-	54	-
Total					[illegible]	[illegible]

■ WHITE SUGAR LCE ($/tonne)

Mar	288.40	+0.90	288.00	[illegible]	6,579	845
May	287.60	+0.20	287.50	[illegible]	3,383	827
[illegible]	[illegible]	[illegible]	[illegible]	291.00	1,614	[illegible]
Oct	280.80	[illegible]	281.10	279.50	[illegible]	153
Dec	279.80	-	-	-	80	-
Mar	[illegible]	[illegible]	-	-	83	-
Total					[illegible]	1,671

■ SUGAR '11' CSCE (112,000lbs; cents/lbs)

Mar	10.28	-0.07	[illegible]	[illegible]	44,396	10,719
May	[illegible]	[illegible]	10.81	10.66	[illegible]	[illegible]
Jul	10.72	[illegible]	[illegible]	10.70	[illegible]	1,103
Oct	[illegible]	-	10.75	[illegible]	15,630	1,022
Mar	10.74	+0.05	10.75	10.68	2,899	412
May	10.74	+0.04	-	-	111	2
Total					107,320	18,058

■ COTTON NYCE (50,000lbs; cents/lbs)

Mar	71.29	-0.29	72.20	70.85	22,348	5,858
May	72.15	-0.33	[illegible]	[illegible]	15,850	[illegible]
Jul	73.16	-0.24	73.80	[illegible]	[illegible]	2,073
Oct	[illegible]	-0.17	[illegible]	[illegible]	[illegible]	301
Dec	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Mar	70.10	-0.45	-	-	60	19
Total					[illegible]	[illegible]

■ ORANGE JUICE NYCE (15,000lbs; cents/lbs)

[illegible]	110.50	[illegible]	110.70	[illegible]	251	120
May	[illegible]	+2.50	[illegible]	109.30	[illegible]	253
Jul	[illegible]	+2.50	[illegible]	111.25	2,501	300
Sep	117.00	[illegible]	-	-	1,115	62
Nov	118.75	+3.00	117.50	115.90	[illegible]	-
Jan	[illegible]	[illegible]	-	-	250	92
Total					17,101	829

VOLUME DATA

Open [illegible] and Volume data [illegible] for [illegible] CBT, NYCE, CME and CSCE are one day in arrears.

INDICES

■ REUTERS (Base: 18/9/31=100)

Jan 19	Jan 18	month ago	year ago
[illegible]	1687.7	1657.8	[illegible]

■ CRB (Base: 4/9/56=100)

Jan 18	Jan 17	month ago	year ago
227.42	228.06	224.05	202.06

MEAT [illegible] LIVESTOCK

■ LIVE CATTLE CME (40,000lbs; cents/lbs)

	[illegible] price	[illegible] change	High	Low	Open int	Vol
Feb	73.200	[illegible]	73.675	[illegible]	[illegible]	[illegible]
Apr	75.625	-0.300	[illegible]	75.550	[illegible]	5,230
[illegible]	73.900	-0.275	[illegible]	[illegible]	18,607	2,025
Aug	72.625	[illegible]	72.800	72.600	9,716	1,324
Oct	72.775	[illegible]	[illegible]	72.750	8,621	[illegible]
Dec	73.675	-0.275	74.000	73.550	1,170	36
[illegible]					[illegible]	[illegible]

■ LIVE HOGS CME (40,000lbs; cents/lbs)

Feb	47.550	-0.225	47.800	47.3[illegible]	[illegible]	2,807
[illegible]	48.775	[illegible]	48.900	[illegible]	[illegible]	2,498
Jun	[illegible]	-0.025	54.000	53.575	6,852	846
Jul	53.250	-	53.400	[illegible]	2,843	208
[illegible]	51.575	-0.100	52.000	[illegible]	[illegible]	187
Oct	[illegible]	[illegible]	49.050	48.650	[illegible]	[illegible]
Total					[illegible]	[illegible]

■ PORK BELLIES CME [illegible] cents/lbs)

[illegible]	54.800	-1.475	56.250	54.575	[illegible]	2,149
Mar	[illegible]	[illegible]	56.900	55.250	[illegible]	828
May	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	532
Jul	[illegible]	[illegible]	58.400	[illegible]	1,793	130
[illegible]	56.475	-0.950	58.500	56.400	278	12
Total					[illegible]	[illegible]

LONDON TRADED OPTIONS

Strike price $ tonne	— Calls —		— Puts —	
■ ALUMINIUM (99.7%) LME	Apr	Jul	Apr	Jul
1175	85	71	34	48
1200	61	59	45	61
1225	40	48	59	74
■ COPPER (Grade A) LME	[illegible]	Jul	Apr	Jul
1850	88	112	[illegible]	51
1900	61	[illegible]	66	[illegible]
1950	41	[illegible]	96	[illegible]
■ COFFEE LCE	Mar	May	Mar	May
1150	41	[illegible]	[illegible]	[illegible]
1200	20	80	81	76
1250	7	[illegible]	88	109
■ COCOA LCE	Mar	[illegible]	[illegible]	[illegible]
925	25	50	36	52
950	16	[illegible]	52	[illegible]
975	10	[illegible]	71	[illegible]
■ BRENT CRUDE IPE	Mar	[illegible]	[illegible]	Apr
1350	-	-	30	[illegible]
1400	51	76	45	64
1450	30	46	-	-

LONDON SPOT MARKETS

■ CRUDE OIL FOB (per barrel/Mar) [illegible]

Dubai	[illegible]	[illegible]
Brent [illegible]	$14.11-4.16	+0.11
Brent Blend (Mar)	[illegible]	[illegible]
W.T.I. (1pm [illegible])	[illegible]	+0.12

■ OIL PRODUCTS NWE prompt delivery CIF [illegible]

Premium [illegible]	$144-146	
[illegible]	$150-151	[illegible]
Heavy [illegible] Oil	[illegible]	+1.5
Naphtha	$129-132	+1.0
Jet Fuel	$167-169	+0.5

Petroleum Argus Estimates

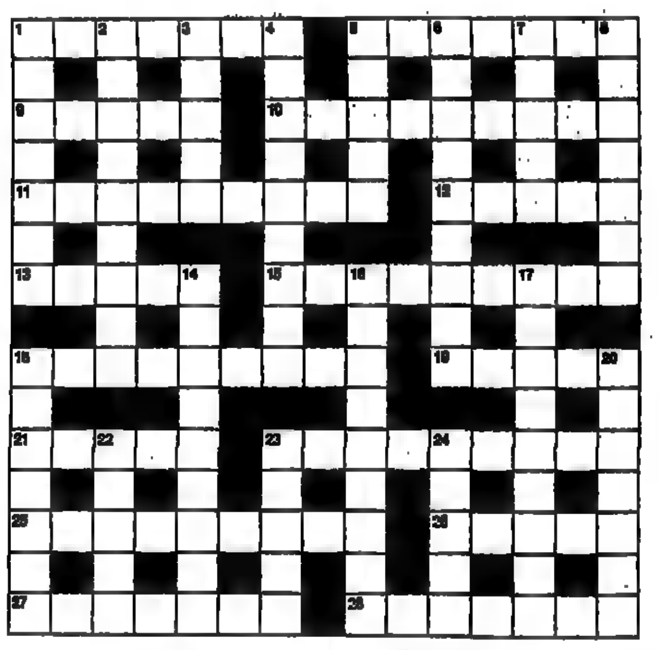
■ OTHER

Gold (per troy oz)♣	$391.40	+0.15
Silver (per troy oz)♣	525.5c	
Platinum (per troy oz.)	[illegible]	[illegible]
Palladium (per troy oz.)	$124.90	
Copper [illegible] prod.)	91.0c	[illegible]
Lead (US prod.)	35.00c	
Tin (Kuala Lumpur)	13.49r	-0.01
Tin (New York)	234.50c	+2.00
Zinc (US Prime W.)	Unq.	
[illegible] (live weight)††	121.16p	+0.11*
Sheep (live weight)†♠	101.07p	+4.45*
Pigs (live weight)	67.68p	+1.39*
Lon. day sugar (raw)	$254.70	+1.80
[illegible] day sugar (wte)	[illegible]	-1.40
Tate & Lyle export	$281.50	+1.50
[illegible] (Eng. feed)	£108.25	
Maize (US No3 Yellow)	[illegible]	
[illegible] (US Dark North)	[illegible]	
Rubber (Feb)♥	[illegible]	+0.25
Rubber (Mar)♥	61.25p	+0.25
Rubber(KL RSS No1 Feb)	221.0m	+1.0
Coconut Oil (Phil)§	$567.5x	+12.5
Palm Oil (Malay.)§	$405.0t	+7.5
Copra (Phil)§	[illegible]	-20.0
Soyabeans (US)	£212.0y	
Cotton 'A' index	70.30c	+1.60
Wooltops (64s Super)	[illegible]	

£ per tonne unless otherwise stated. p pence/kg. c cents/lb. r ringgit/kg. m Malaysian cents/kg. y Feb/Apr w Mar. z Jan/Mar. v Feb. t Feb/Mar. x Mar/Apr. ♥ London Physical. § CIF Rotterdam. ♣ Bullion market close. ♠ Sheep (Live weight prices). * [illegible] on week, provisional prices.

CROSSWORD

No.8,358 [illegible] by ADAMANT



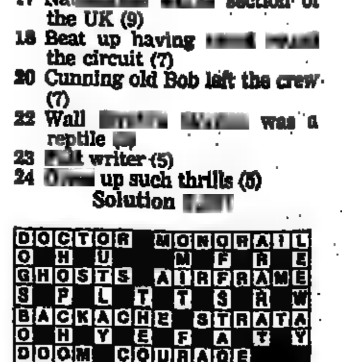
[illegible]

1 Change of character without EC complaint (7)
[illegible] Sprinkler service (7)
[illegible] Prepared to go steady? The other way round [illegible] start! (5)
10 Use garden rubbish overall (9)
11 Western Asians are people in tune with opposing points (9)
13 Noted everyone's instruction (5)
13 Fund ITT in [illegible] (5)
15 Make an [illegible] (5)
18 Period when one is [illegible] off (4,5)
[illegible] Underwrites Taurus with Leo? (5)
21 Needling [illegible] little [illegible] in time past [illegible]
23 Hoard [illegible] heap [illegible] (9)
25 Penalty [illegible] filling [illegible] pill with cold, [illegible] fluid [illegible]
[illegible] Hold [illegible] vocation [illegible] all are leaving [illegible]
[illegible] Loss [illegible] liquid [illegible] means rough time at end of day [illegible]
28 Think differently when the other sides [illegible] trumps (7)

DOWN

1 Complain [illegible] in [illegible] multi-storey (7)
2 A rum mixture in untidy [illegible] can [illegible] [illegible]tionally shocking (9)
[illegible] light working [illegible]
4 Angry? Head [illegible] plant (9)
5 Additional pay on entering the coach (5)
[illegible] groups must [illegible]
7 Not moving in the [illegible] terminal (5)
[illegible] aim somehow to be a saviour? (7)
14 Contemptible person jaundiced by the chow, perhaps (6,3)
16 [illegible] the umpire [illegible] worked out [illegible]
17 [illegible] section of the UK (9)
18 Beat up having [illegible] the circuit (7)
20 Cunning old Bob left the crew (7)
22 Wall [illegible] was a reptile [illegible]
23 [illegible] writer (5)
24 [illegible] up such thrills (5)

Solution [illegible]



JOTTER PAD

LONDON STOCK EXCHANGE

MARKET REPORT

New peaks for the FT-SE 100 and the Mid 250

By Terry Byland, UK Stock Market Editor

Favourable data on UK inflation and [illegible] sales combined with a buying frenzy [illegible] the second line stocks to take the UK equity market to a new peak yesterday. The FT-SE 100-share Index broke through to a [illegible] trading high at midsession before settling to a new closing peak [illegible] 3,475.1, [illegible] advance on the day of 38.1.

[illegible], the 1 per cent gain in the [illegible] was well [illegible] by the FT-SE Mid 250 Index, which bounded ahead by nearly [illegible] per cent, [illegible] 135.5 points [illegible] at [illegible] all-time high [illegible] 4,148.8. Demand for [illegible] Mid 250 issues, [illegible] for the past week [illegible] investors searched for undervalued stocks, [illegible] yesterday when a leading [illegible] investment bank struggled to put in around £1bn as the preliminary move to issuing a covered warrant [illegible] the sector.

The UK stock market [illegible] near to splitting into two halves yesterday. The [illegible] blue chips opened firmly, spurred on by strong performances in Far Eastern markets overnight and by interest rate optimism across other European [illegible] ahead of today's meeting [illegible] the Bundesbank.

With [illegible] market only one hour into [illegible] trading, the [illegible] put into [illegible] by the announcement [illegible] UK retail prices [illegible] data, which [illegible] inflation [illegible] still under control while retail [illegible] disappointing – the perfect background for a [illegible] in [illegible] rates, according to equity [illegible].

[illegible] Dates		
[illegible] Dealings:		
Jan 4	Jan 17	Jan 31
[illegible]		
[illegible]	Jan 27	[illegible] 10
Last Dealings:		
Jan 14	Jan 28	Feb 11
Account Day:		
Jan 24	Feb [illegible]	[illegible] 21

*New time dealings may take place from two business days earlier.

The [illegible] of 1.9 per cent in [illegible] price index and a surprising [illegible] per cent in [illegible] followed by a jump in the Footsie, which [illegible] a new intraday [illegible] of 3,484.5, a gain of 47.5. Share gains were also fuelled by strong rises in UK government bond prices in response to the statistics on the domestic economy.

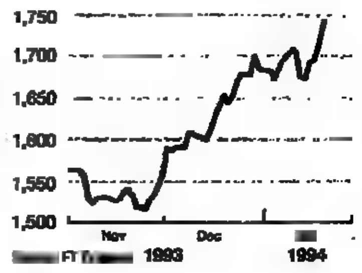
Analysts [illegible] somewhat confused by [illegible] statistics which appeared to [illegible] other recent data. However, [illegible] unexpected fall in December [illegible] revived hopes that the widely-predicted cut in UK base rates might [illegible] arrive [illegible] the spring. Hopes of [illegible] early cut [illegible] rates had been postponed in view of the impending impact of [illegible] budget measures [illegible] last November.

At [illegible] two trading [illegible] marched across the dealing screens, [illegible] prices [illegible] again driven forward by [illegible] activity by market-makers whose stock books [illegible] repeatedly emptied, forcing them [illegible] join the [illegible] of buyers in [illegible] marketplace. [illegible] were completely unwilling to part with stock, so prices were [illegible] higher. Once again, [illegible] chips were [illegible] forward by [illegible] stock index futures market, where the December [illegible] tract [illegible] comfortably above 3,500 [illegible] moment.

[illegible] clear, however, that it was the FT-SE Mid 250 stocks which [illegible] capturing [illegible] interest. The [illegible] eased back, the Index shedding about 12 points of [illegible] early gain, before regaining [illegible] poise as Wall [illegible] edged into a gain [illegible] 8.7 Dow points in early deals [illegible] continental European [illegible] their gains.

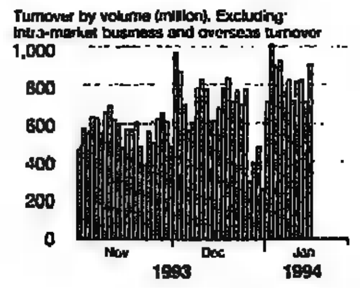
Seaq volume of 1,330.7m shares, reflected the heavy trading in [illegible] smaller capitalised stocks; non-Footsie [illegible] up around [illegible] per cent [illegible] total. On Tuesday, [illegible] through Seaq [illegible] worth [illegible] £2.17bn, [illegible] of [illegible] highest figures for [illegible] past twelve months.

FT-SE-A All-Share Index



Equity Shares Traded

Turnover by volume (million). Excluding: intra-market business and overseas turnover



Key Indicators

Indices and ratios

FT [illegible]	3475.1	[illegible]	FT Ordinary [illegible]	2654.1	[illegible]
FT-SE [illegible] 250	[illegible]	+135.5	FT-SE-A Non Fins p/e	[illegible]	(22.51)
FT-SE-A 350	[illegible]	[illegible]	FT-SE 100 Fut Mar	[illegible]	+43.0
FT-SE-A All-Share	1743.78	[illegible]	10 yr Gilt yield	[illegible]	[illegible]
FT-SE-A All-Share yield	[illegible]	[illegible]	Long gilt/equity yld ratio:	[illegible]	(2.11)

Best performing sectors

1 Property ... +4.9
2 Other Services & Bus. ... +4.6
3 Other Financial ... +3.8
[illegible] Retailers, Food ... +3.6
[illegible] FT-SE Mid 250 ex IT's ... +3.4

Worst performing sectors

1 Diversified Inds. ... +0.3
[illegible] Pharmaceuticals ... +0.6
[illegible] Household Goods ... +0.8
[illegible] [illegible] ... +0.8
[illegible] Spirits, [illegible] & [illegible] ... +0.8

Tremors in gas sector

The oil and gas areas lagged behind the rest of the market and also provided one of the [illegible] most heavily [illegible] stocks in British Gas, which recovered only partially from heavy selling pressure early in the session.

The early selling was triggered by bearish stories said to [illegible] emanated from a lunch on Tuesday at Smith New Court, the [illegible] house, which hosted Ms [illegible] Spottiswoode, the [illegible] director [illegible] the [illegible] industry watchdog, and a number of investment institutions. Smith declined to [illegible] but [illegible] specialists [illegible] institutions appeared notably [illegible] cautious [illegible] British Gas following [illegible] lunch. "There are perceptions [illegible] regulatory regime could [illegible] prove tougher [illegible] expected," [illegible] one analyst, [illegible] pointed out [illegible] approaching a three-year [illegible] low.

Gas [illegible] underperformed the wider [illegible] all day [illegible] managed [illegible] to finish [illegible] higher [illegible] 342p. Turnover [illegible] a heavy 14m shares.

Drugs uncertain

[illegible] heavy [illegible] in [illegible] York [illegible] yesterday after disappointing [illegible] Pfizer [illegible] profit downgrades [illegible] heavy selling of [illegible] whole [illegible]. SmithKline [illegible] seriously [illegible] in spite of [illegible] fundamental [illegible].

SmithKline [illegible] benefited from [illegible] its [illegible] shingles [illegible] Famvir [illegible] received a further [illegible] from a hefty [illegible] from [illegible] securities. NatWest said that SmithKline was poised [illegible] the [illegible] of Wellcome whose [illegible] product, Zovirax [illegible] poised [illegible] off patent soon. The note, which featured unpleasant photographs of patients [illegible] ured by herpes, [illegible] impact on the [illegible] which [illegible] 21 [illegible] 683p.

SmithKline improved 4 to 439p in the 'A's but [illegible] a penny to 399p in [illegible] which were trading at [illegible] equivalent of [illegible] shortly after [illegible] London market closed.

Meanwhile, Glaxo announced that its Japanese subsidiary had received approval from [illegible] Ministry of [illegible] and welfare for [illegible] oral [illegible] injectable [illegible] Zofran, the anti-nausea treatment for chemotherapy patients. The shares [illegible] a penny [illegible] 681p in London but [illegible] American Depositary Receipts were trading [illegible] equivalent of 673p aftes [illegible] market shut.

[illegible] shares [illegible] $61⅝ in early US trading [illegible] Webber among several houses [illegible] cut forecasts.

Tesco cheer

A rare piece [illegible] good news for the [illegible] retail sector [illegible] trading statement from [illegible] was [illegible] received by the [illegible] 15 [illegible] 251½p in hefty trading of [illegible] analysts [illegible] supermarket group's [illegible] cut [illegible] capital expenditure [illegible] opening [illegible] market saturation. They were also cheered by [illegible] decision [illegible] increase [illegible] earnings growth. "Tesco's [illegible] at [illegible] reality with [illegible] statement," said [illegible] specialist.

As widely rumoured, the supermarket [illegible] decided [illegible] begin making provisions for depreciating its buildings [illegible] to make a write-down of £85m on surplus land. However, [illegible] positive sentiment, together with the rising market, helped the other retailers. Among these, J Sainsbury [illegible] to 477p.

Strong two way [illegible] in Rolls-Royce saw turnover jump to 17m as US buyers returned to the stock ignoring a profits downgrade from Hoare Govett, the group's broker.

However there [illegible] fears that the renewed US [illegible] may soon challenge [illegible] 29.5 per [illegible] limit on [illegible] ownership set in the group's articles [illegible] association.

Hoare Govett reduced [illegible] current year forecast by £10m to [illegible] The [illegible] 1½ [illegible] 174p.

British Aerospace [illegible] in favour on hopes [illegible] a lucrative Hawk order from India, and a view [illegible] the [illegible] falls [illegible] overdone. The shares [illegible] to 416p, with volume reaching 7.5m. The [illegible] Rim-influenced bank stocks, principally HSBC and Standard Chartered, [illegible] to [illegible] ahead, boosted by [illegible] on the Hong Kong market. Standard Chartered jumped [illegible] 1248p, [illegible] broker, Cazenove, was [illegible] have given [illegible] stock a strong push, highlighting [illegible] discrepancy between Standard's prospective price earnings ratio, [illegible] 7.5 mark, compared [illegible] HSBC, [illegible] 10.5 times [illegible] other far [illegible] are [illegible] around 20 times earnings. [illegible] of [illegible] market's super optimists [illegible] forecasting a doubling [illegible] shares.

[illegible] put [illegible] 29 [illegible] 976p. Bank of East Asia is not a subsidiary of HSBC, as incorrectly reported here yesterday.

[illegible] leapt 10 to a record [illegible] a number of broking firms continued to upgrade their estimates and recommendations on [illegible] stock following the recent [illegible] figures.

Oil stocks [illegible] by worries about [illegible] prices but [illegible] also said [illegible] have [illegible] by [illegible] Enterprise [illegible] Lasmo, are [illegible] to have their debt ratings reduced by [illegible] Poor's, one of the leading US credit-rating agencies.

Enterprise retained a 7 gain at 469p, [illegible] helped by stories [illegible] Elf [illegible] decided not [illegible] sell its 10 [illegible] stake in the short term. Lasmo, meanwhile, edged up 2½ to 126½p, following [illegible] that its important Indonesian oil equivalent [illegible] have been upgraded by [illegible] per cent, or 59m barrels of oil equivalent, following an independent assessment.

Among transport stocks, BAA fell [illegible] on fears that a review on airport regulation announced [illegible] Tuesday may have a negative impact on BAA's pricing formula discussions with [illegible] government due [illegible] start later this year.

In a strong property sector, MEPC was further boosted by a postive agm and the shares jumped 29 to 561p.

[illegible] leading leisure stocks [illegible] with [illegible] falling [illegible] 276p. Kleinwort [illegible] which has Forte [illegible] a hold, [illegible] the stock was overbought in [illegible] face of the hestitant [illegible] of recovery in [illegible] hotel market.

Turnover in Burton hit [illegible] Lehman Brothers, matched a buyer and seller of 6.5m shares. The deals were struck [illegible] 73p [illegible] 73¼p. The shares nudged up a half-penny to 74p.

MARKET REPORTERS:
[illegible] Price,
[illegible], Peter John,
[illegible] Thompson.

[illegible]

NEW HIGHS AND LOWS FOR [illegible]

NEW HIGHS (742).
GILTS (6) OTHER FIXED INTEREST (10) BANKS (2) ANZ, TSB, BREWERIES (7) Burtonwood, Eldridge Pope A, Greenalls, Greene King, Regent Inns, Vaux, Young A, BUILDING & CNSTRN (44) BLDG MATLS & MCHTS (25) CHEMICALS (8) Allied Colloids, BTP, Bri. Vita, Canning (W), Croda, Laporte, Perstorp B, Wolstenholme Rink, Yorkshire Chems., DISTRIBUTORS (30) DIVERSIFIED INDLS (16) ELECTRICITY (3) London, Manweb, Seeboard, ELECTRNC & ELECT EQUP (22) ENGINEERING (44) ENG, VEHICLES (10) EXTRACTIVE INDS (13) FOOD MANUF (11) GAS DISTRIBUTION (1) Calor, HEALTH CARE (4) Assoc. Nursing Servs., Community Hsptls., Nestor-BNA, UniChem, HOUSEHOLD GOODS (6) Airsprung Furn., Creighton Naturally, Lincoln House, Mayborn, Osborne & Little, Royal Doulton, INSURANCE (5) Commercial Union, Heath (CE), Lowndes Lambert, Now London Cap., Skandia, INVESTMENT TRUSTS (187) INVESTMENT COMPANIES (6) Brazilian Inv Tst, Do Wrts., JF Pacific Wrt., Mediterranean Fd., Sth. America Fd., Do Wrts., LEISURE & HOTELS (18) LIFE ASSURANCE (6) Britannic, Irish Life, Legal & Gen., Lloyds Abbey, London & Man., Refuge, Transatlantic, Do B 8pc Pf., MEDIA (33) MERCHANT BANKS (8) OIL EXPLORATION & PROD (6) Brit. Borneo, Kelt Energy, Monument, OGC, Scott Pickford, Villiers, OIL, INTEGRATED (2) Norsk Hydro, Petrofina, OTHER FINANCIAL (31) OTHER SERVS & BUSNS (9) Attwoods, Bet. Bloodstock, Calderburn, General Mtrs. Units, Gt. Southern, Leigh Intrs., Scapa, Shelton (M), UDO, PHARMACEUTICALS (3) Lilly (Eli), Novo Nordisk 'B', PRTNG, PAPER & PACKG (22) PROPERTY (42) [illegible], FOOD (1) Park Food, RETAILERS, GENERAL (21) SPIRITS, WINES & CIDERS (2) Highland Dists., Matthew Clark, SUPPORT SERVS (29) TELECOMMUNICA[illegible] (3) Securicor Gp, Do N/V, Security Servs., TEXTILES & APPAREL (12) TOBACCO (1) BAT Inds. [illegible] 1/4 pc Uns Ln '03/08, [illegible] (16) WATER (8) East Surrey, Mid Kent, North West, Severn Trent, South West, Thames, Welsh, Wessex, [illegible] (5) [illegible] (4)
NEW LOWS (4).
CHEMICALS (1) Cambridge Isotope, MEDIA (1) Fitch, OIL EXPLORATION & PROD (1) Sunrise Energy Servs Inc. AMERICANS (1)

EQUITY FUTURES AND OPTIONS TRADING

Stock index futures closed at a record high and volume in the traded options soared as renewed hopes of a cut in UK interest rates brought hectic trading to the derivatives sector, *writes Joel Kibazo.*

In futures, a tentative start to trading gave way to hectic buying of the March contract on the FT-SE [illegible] following [illegible] than anticipated [illegible] figures [illegible] to the [illegible] poor figures [illegible]. [illegible] the board, with independent [illegible] (locals) [illegible] particularly [illegible]. This developed into a [illegible] March to an all-time intraday high of [illegible] just [illegible] lunch.

Strong arbitrage activity [illegible] by many of [illegible] leading players in [illegible] a strong premium [illegible] throughout [illegible] day.

[illegible] came [illegible] top in early afternoon trading [illegible] at a record high for the future at 3,501, around [illegible] points [illegible] of [illegible] fair value premium [illegible] of about [illegible] points. Volume [illegible] particularly heavy, reaching 20,677 [illegible] official close, [illegible] a further 2,000 [illegible] in after-hours' trading.

A very active session [illegible] seen in [illegible] options, where turnover [illegible] a hefty 58,425 contracts. However, [illegible] activity in [illegible] FT-SE 100 option was slightly disappointing, though it reached 25,082 lots, while [illegible] 6,315 [illegible] traded in [illegible] Euro FT-SE option.

[illegible] stock option [illegible] 2,893 lots, followed by Tesco [illegible] contracts. [illegible] saw 1,954 [illegible] dealt, with Kleinwort Benson [illegible] to [illegible] shown a [illegible] in the [illegible] contracts.

FT-SE 100 INDEX FUTURES (LIFFE) £25 per full index point

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	[illegible]	3501.0	[illegible]	3508.0	[illegible]	22806	67175
Jun	-	3515.0	[illegible]	-	-	[illegible]	[illegible]
Sep	-	[illegible]	42.5	-	-	[illegible]	[illegible]

[illegible] traded on APT. Open interest figures are for previous day.

FT-SE 100 INDEX OPTION (LIFFE) (*34[illegible]) £10 per full index point

	3200 C	3200 P	3250 C	3250 P	3300 C	3300 P	3350 C	3350 P	3400 C	3400 P	3450 C	3450 P	3500 C	3500 P	3550 C	3550 P
Jan	288½	½	238½	½	180½	½	130½	½	88½	½	42½	5	11	22½	1½	72
Feb	303	3½	256	5½	208½	8	163½	16	123	23½	87	38½	58½	60	37	89½
Mar	309	11½	263½	15	221	22	179½	30½	142½	43½	108½	61	81	81½	57½	109
Apr	317½	18½	278½	25½	232½	32½	185	40½	158½	56½	128½	76½	100	98½	77½	126½
Jun†	341½	34			263	54			192	82			130½	120½		

Calls 13,880 Puts 13,206

EURO STYLE FT-SE 100 INDEX OPTION (LIFFE) £10 per full index point

[illegible]

* Underlying index value. Premiums shown are based on settlement prices. † Long dated expiry months.

TRADING VOLUME

Major Stocks [illegible] (Vol. 000s, Closing price, Day's change)

[illegible]

FT - SE Actuaries Share Indices — The UK Series

[illegible]

FT-SE Actuaries All-Share

[illegible]

Hourly movements

[illegible]

Time of FT-SE 100 High 1.30pm Low 8.50am

FT-SE Actuaries 350 Industry baskets

[illegible]

[illegible]

LONDON EQUITIES

LIFFE EQUITY OPTIONS

[illegible]

TRADITIONAL OPTIONS

[illegible]

RISES AND FALLS YESTERDAY

	Rises	Falls	[illegible]
British Funds	67	[illegible]	[illegible]
Other Fixed Interest	15	[illegible]	[illegible]
Mineral Extraction	65	76	67
General Manufactures	398	54	[illegible]
Consumer Goods	110	16	[illegible]
Services	315	34	176
Utilities	39	[illegible]	5
Financials	226	29	138
Investment Trusts	382	3	110
Others	49	53	[illegible]
Totals	1,636	266	[illegible]

Data based on those companies listed on the London Share Service.

LONDON RECENT ISSUES: EQUITIES

[illegible]

FIXED INTEREST STOCKS

[illegible]

RIGHTS OFFERS

[illegible]

FINANCIAL TIMES EQUITY INDICES

[illegible]

LONDON SHARE SERVICE

BANKS

	Notes	Price	+ or −	1993/94 high	low	Mkt Cap£m	Yld Gr's	P/E
ABN Amro Fl	□	£24¼	+⅛	£25¼	£18¾	6,759	4.2	12.9
ANZ A$	□	239	+2¼	239¼	130	3,126	3.8	[illegible]
Abbey National	†□	520	+4	524	345	6,817	2.8	20.1
Allied Irish I£	♣†a□	308	−1	314	179	2,029	3.4	15.7
Anglo Irish I£	N□	69xd	+1	*69	28	167.9	6.1	ϕ
Asahi Y	□	681½	+33¼	844	415	15,812	0.7	–
Banco Bil Viz Pta	□	£14⅞	+⅛	£17⅞	£13⅞	3,394	5.6	6.8
Banco Sant Pta		£29¼	——	£36	£24⅞	3,326	4.4	11.4
Bank Leumi (UK)		375	——	375	325	29.6	5.7	–
Bk Ireland I£	♣ua□	318	+1	*318	177	1,498	3.9	23.5
Bank Scotland	♣†□	225	+5	240½	116½	2,812	2.8	30.6
9¼pc Pf		140¼	+2½	140¼	117¼	140.2	8.2	–
9¾pc Pf		147¼	+2½	147¼	123½	147.2	8.3	–
Barclays	♣†N□	609	−6	662	362	6,884	2.6	–
Dai Ichi Kan Y	□	£11⅞	+¼	£15⅞	£8⅞	35,191	0.5	62.4
Deutsche DM	□	£313⅞	+2⅞	£348⅞	£250½	14,908	1.9	–
Espirito Santo		£24½	−⅛	£24⅞	£16½	258.9	3.3	5.8
First Nat Fin	□	83xd	+4	*86	45	138.4	2.3	ϕ
6.3pc Cv Pf		88½xd	+½	*91	55	5.95	8.9	–
7pc Cv Pf		164xd	+10	167½	106	77.8	5.3	–
Fuji Bank Y	□	1233¼	+57¼	1651	876	35,711	0.4	–
HSBC HK	†□	997	+32	1007	474	17,018	2.5	23.9
HSBC (75p Shs)	†□	976	+29	987	490	8,013	2.6	23.4
Lloyds	†□	644	+9	690	492	8,269	3.7	18.4
Mitsubishi Y	□	£17½	+⅛	£19¾	£11⅞	50,386	0.3	–
Mits Tst & Bk Y	□	780	+24	1012½	462½	9,895	0.7	12.2
Mitsui Tst & Bk Y	□	685	+13½	852	374	7,009	0.8	19.9
Nat Aust A$	□	575¼	−1½	576¼	322	[illegible]	3.9	ϕ
NatWest	†□	602½	−6½	634	398	[illegible]	3.7	36.6
Ottomane FFr		£30	——	£32½	£23⅞	[illegible]	5.0	8.8
Ryl Bk Scotland	♣N□	456xd	−1	470	207	[illegible]	3.0	20.6
Sakura Y	□	£9⅞	+⅛	£11	£5¾	[illegible]	0.6	56.5
Sanwa Y	□	£12⅞	+⅛	£16	£7⅞	[illegible]	0.4	–
Standard Chartd	†□	1229	+28	1283	576	[illegible]	2.1	–
Sumitomo Y	□	£12⅞	+⅛	£16¼	£9⅞	[illegible]	0.4	27.1
Sumitomo Tst Y	□	728¼	+27¼	987½	437½	[illegible]	0.7	57.2
TSB	ϕN□	[illegible]	+10	290	145½	[illegible]	3.4	22.2
Tokai Y	□	[illegible]	+⅞	£9⅞	[illegible]	[illegible]	0.7	49.0
Toyo Tst & Bk Y	□	[illegible]	+21	840	411	5,095	0.8	57.8
Westpac A$		222xd	——	223	121	3,909	2.4	ϕ
Yasuda Tst Bk Y	†□	[illegible]	+15	690	343	5,358	1.0	43.5

BREWERIES

	Notes	Price	+ or −	1993/94 high	low	Mkt Cap£m	Yld Gr's	P/E
Ascot Hldgs	□	8¼	+¼	16½	4½	30.9	–	–
Bass	ϕN□	609xd	+17	647	441	5,277	4.1	16.5
Boddington	†□	288	−1	299	189	323.2	3.6	15.6
Burtonwood		189xd	+8	189	129	39.3	3.2	15.8
Eldridge Pope A	♣	181xd	+6	181	75	35.2	2.5	ϕ
Fosters A$	□	63¼	+¼	70½	50	2,037	4.3	ϕ
Fuller STA	♣†	445xd	——	445	338	90.3	2.1	19.1
Glbe Mew	♣†	395	——	403	148	25.4	2.6	19.4
Greenalls	♣ϕN□	499xd	+13	511	347	1,041	3.1	17.2
Greene King	†N□	570xd	+20	584	405	241.1	2.7	16.0
Grosvenor Inns	♣	143	——	149	78	11.6	3.7	19.2

BUILDING & CONSTRUCTION

BUILDING MATS. & MERCHANTS

BUILDING MATS. & MERCHANTS - Cont.

CHEMICALS

DISTRIBUTORS

DIVERSIFIED INDUSTRIALS

ELECTRICITY

ELECTRONIC & ELECTRICAL EQPT

ELECTRONIC & ELECTRICAL EQPT - Cont.

ENGINEERING

ENGINEERING, VEHICLES

EXTRACTIVE INDUSTRIES

FOOD MANUFACTURERS

GAS DISTRIBUTION

HEALTH CARE

HOUSEHOLD GOODS

INSURANCE

INVESTMENT TRUSTS

INVESTMENT TRUSTS - Cont.

LONDON SHARE SERVICE

INVESTMENT TRUSTS - Cont.

[illegible]

INVESTMENT COMPANIES

[illegible]

LEISURE & HOTELS

[illegible]

LEISURE & HOTELS - Cont.

[illegible]

LIFE ASSURANCE

[illegible]

MEDIA

[illegible]

MERCHANT BANKS

[illegible]

OIL EXPLORATION & PRODUCTION

[illegible]

OIL, INTEGRATED

[illegible]

OTHER FINANCIAL

[illegible]

OTHER SERVICES & BUSINESSES

[illegible]

PHARMACEUTICALS

[illegible]

PRINTING, PAPER & PACKAGING

[illegible]

PROPERTY

[illegible]

PROPERTY - Cont.

[illegible]

RETAILERS, FOOD

[illegible]

RETAILERS, GENERAL

[illegible]

SPIRITS, WINES & CIDERS

[illegible]

SPIRITS, WINES & CIDERS - Cont.

[illegible]

SUPPORT SERVICES

[illegible]

TELECOMMUNICATIONS

[illegible]

TEXTILES & APPAREL

[illegible]

TOBACCO

[illegible]

TRANSPORT

[illegible]

TRANSPORT - Cont.

[illegible]

WATER

[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

SOUTH AFRICANS

	Notes	Price	+ or -	1993/94 high	low	Mkt Cap£m	Yld Gr's	P/E
Anglo Am Ind.		£13½	—	£15½	[illegible]	[illegible]	5.2	11.4
Barlow Rand.		84	-½	[illegible]	[illegible]	822.2	[illegible]	7.8
Gold Fields SA R		£10½	-½	[illegible]	£7¼	[illegible]	3.5	[illegible]
NK Props.		90	—	97	66	3.62	15.1	♦
SASOL	♥	298	-3	[illegible]	215	1,837	5.4	-
SA Brews		£13½	-½	[illegible]	£7½	[illegible]	2.1	21.8
Tiger Oats		738	—	838	[illegible]	1,108	2.2	15.8
Tongaat-Hulett	†	438xd	—	472	212	328.0	3.4	12.1

GUIDE TO LONDON SHARE SERVICE

Prices for the London Share Service delivered by Extel Financial, a member of the Financial Times Group.

Company classifications are based on those used for the [illegible] Actuaries Share Indices.

Closing mid-prices are shown in pence unless otherwise stated. Highs and lows are based on intra-day mid- prices.

Where stocks are denominated in currencies other than sterling, this is indicated after the name.

Symbols referring to dividend status appear in the notes column daily as a guide to yields and P/E ratios. Dividends and Dividend covers are published on [illegible]

Market capitalisation shown is calculated separately for each line of stock quoted.

Estimated price/earnings ratios are [illegible] latest annual reports and [illegible] and, where possible, [illegible] interim figures. P/Es are [illegible] on "net" distribution [illegible] earnings per share being computed on profit after [illegible] excluding exceptional profits/losses and unrelieved ACT where applicable. Yields are based on mid-prices, are gross, adjusted for a dividend tax credit of 20 per cent and allow for value of declared distribution and rights.

Estimated Net Asset Values (NAVs) are shown for Investment Trusts, in pence per share, along with the percentage discounts (Dis) or premiums (Pm -) to the c[illegible] price. The NAV basis assumes prior charges at par [illegible] converted and warrants exercised if dilution occurs.

□ Indicates the most actively traded stocks. This includes UK stocks [illegible] and prices [illegible] published continuously through the Stock Exchange Automated Quotation system (SEAQ) and non-UK stocks through the SEAQ International system.

- [illegible] and lows marked thus have been adjusted to allow for rights [illegible] for cash
- † Interim since increased or resumed
- ‡ Interim since reduced, passed or deferred
- [illegible] awaited
- [illegible] listed; dealings permitted under rule 535(4)(a)
- ♣ Free [illegible] see [illegible] below
- ✱ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ‡‡ Not officially UK listed; dealings permitted under Rule 535(2)
- # Price at time of suspension
- [illegible] dividend yield after pending scrip and/or rights issue.
- [illegible] bid or reorganisation in progress
- Forecast dividend yield; p/e based on earnings updated by latest interim statement.
- ♠ Unregulated collective investment scheme.

[illegible]

This service is available to companies whose shares are regularly traded in the United Kingdom for a fee of £1225 a year for each security shown, subject to the Editor's discretion

FT Free Annual Reports Service

You can obtain the current annual/interim report of any company annotated with ♣. Ring 081 770 0770 (open 24 hours including weekends) or fax [illegible] 770 3822, quoting the code FT2264. [If calling from outside UK, dial +44 81 770 0770 or fax +44 81 770 3822] Reports will be sent the next working day, subject to availability. If faxing please remember to state the weekly changing FT code [illegible] and also your post code.

FT Cityline

Up-to-the-second share prices are available [illegible] telephone from the FT Cityline service. [illegible] share price pages for details.

An international service is [illegible]le for callers outside the UK, annual subscription £250 stg.

Call 071-873 [illegible] (+44 71 873 4378, International) for more information [illegible] FT Cityline.

FT MANAGED FUNDS SERVICE

● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (071) 873 4378 for more details.

AUTHORISED UNIT TRUSTS

	Init Chrge	Canc Price	Bid Price	Offer Price	+ or -	Yield Gr's
AIB Unit Trust Managers Limited (1000)F						
51 Belmont Rd, Uxbridge, Middx UB8 1RZ 0895 259783						
AIB Grofund American	3	167.8	169.3	178.2	+0.40	0.00
AIB Grofund Equity	5	256.6	258.5	273.6	+4.00	1.28
AIB Grofund Euro	5	200.1	201.8	212.2	+1.90	0.00
AIB Grofund Excl Balanced	3	118.9	121.3	125.7		0.96
AIB Grofund Gilt	3	82.48	82.48	85.83	+0.42	4.53
AIB Grofund Japan	5	165.7	167.2	176.0	+2.50	0.00

Guide to pricing of Authorised Unit Trusts

Compiled with the assistance of Lautro §§

INITIAL CHARGE: Charge made on sale of units. Used to defray marketing and administrative costs, including commission paid to intermediaries. This charge is included in the price of units.

OFFER PRICE: Also called issue price. The price at which units are bought by investors.

BID PRICE: Also called redemption price. The price at which units are sold back by investors.

CANCELLATION PRICE: The minimum redemption price. The maximum spread between the offer and bid prices is determined by a formula laid down by the government. In practice, most unit trust managers quote a much narrower spread. As a result, the bid price is often set above the cancellation price. However, the bid price might be moved to the cancellation price by the managers at any time, usually in circumstances in which there is a large excess of sellers of units over buyers.

TIME: The time shown alongside the fund manager's name is the time of the unit trust's valuation point unless another time is indicated by the symbol alongside the individual unit trust name. The symbols are as follows: (♥) - 0001 to 1100 hours; (♣) - 1101 to 1400 hours; (♠) - 1401 to 1700 hours; (♦) - 1701 to midnight. Daily dealing prices are set on the basis of the valuation point; a short period of time may elapse before prices become available.

HISTORIC PRICING: The letter H denotes that the managers will normally deal on the price set on the most recent valuation. The prices shown are the latest available before publication and may not be the current dealing levels because of an intervening portfolio revaluation or a switch to a forward pricing basis. The managers must deal at a forward price on request, and may move to forward pricing at any time.

FORWARD PRICING: The letter F denotes that the managers deal at the price to be set on the next valuation. Investors can be given no definite price in advance of the purchase or sale being carried out. The prices appearing in the newspaper are the most recent provided by the managers.

SCHEME PARTICULARS AND REPORTS: The most recent report and scheme particulars can be obtained free of charge from fund managers.

Other explanatory notes are contained in the last column of the FT Managed Funds Service.

§§ Life Assurance and Unit Trust Regulatory Organisation.
Centre Point.
103 New Oxford Street, London WC1A 1QH
Tel: 071-379-0444.

FT MANAGED FUNDS SERVICE

● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline H[redacted]p Desk on (071) 873 [redacted] more details.

TSB Unit Trusts (1200)F

Charlton Pl, Andover, Hants. SP10 1RE 0264 346794

	Init Chrge	Canc Price	Bid Price	Offer Price	+ or -	Yield Gr's
TSB American	6	230.27	230.27	244.97	+0.57	-
Do Accum	6	253.83	253.83	269.82	+0.57	-
TSB Inst Growth	6	103.01	104.14	110.79	+1.98	1.53
Do Accum	6	171.98	123.32	131.19	+2.35	1.63
TSB European	6	109.08	109.08	116.05	+2.40	0.23
Do Accum	6	115.83	115.83	123.23	+2.54	0.23
TSB Extra Income	6	224.08	227.82	242.38	+5.30	3.34
Do Accum	6	367.37	372.48	396.56	+8.69	3.34
TSB Smaller Cos	6	77.62	77.62	82.57	+2.11	0.92
Do Accum	6	86.29	86.29	91.80	+2.47	0.92
TSB General	6	314.86	318.85	339.20	+6.64	1.96
Do Accum	6	634.28	642.33	683.33	+13.38	1.96
TSB Premier Income	5	57.20	58.23	60.65	+0.54	5.53
Do Accum	5	122.61	124.81	130.01	+1.16	5.53
TSB Income	6	387.75	392.61	417.66	+9.68	2.98
Do Accum	6	821.18	831.49	884.56	+18.25	2.98
TSB Pacific	6	442.01	442.01	470.23	+4.78	-
Do Accum	6	464.45	464.45	494.09	+5.02	-
TSB International	6	673.76	673.26	699.86	+7.17	0.07
Do Accum	6	752.17	752.37	800.40	+8.41	0.07
TSB Nat Resources	6	184.89	184.89	196.70	-2.31	-
Do Accum	6	202.82	202.82	215.82	-2.83	-
TSB Special Opps	6	118.97	120.72	128.43	+3.00	0.95
Do Accum	6	159.13	162.33	162.66	+3.53	0.95
Environmental Inv	6	65.47	69.01	71.42	+2.08	1.33
Do Accum	6	73.99	74.64	79.39	+3.63	1.33
TSB Selector	6	69.39	70.41	74.91	[illegible]	1.88
Do Accum	6	77.11	78.25	83.24	[illegible]	1.88
TSB High Income	5	73.23	74.06	78.78	[illegible]	3.85
Do Accum	5	89.11	90.10	95.86	[illegible]	3.85
TSB Intl Income	6	64.15	64.66	68.88	[illegible]	4.54
Do Accum	6	76.64	78.12	83.96	[illegible]	4.54
TSB Selector Income	6	68.62	69.52	73.95	[illegible]	4.50
Do Accum	6	78.21	79.00	84.04	[illegible]	4.50

T.U. Fund Managers Limited (1200)H

MLA Tower, Addiscombe Road, Croydon 081-686 4355

	Init Chrge	Canc Price	Bid Price	Offer Price	+ or -	Yield Gr's
T.U. Britain	5	363.7	368.8	388.2	+7.8	2.38
T.U. European		50.20	[illegible]	62.79	+0.82	2.00

Templeton Unit Trust Managers Ltd (1200)F

Alloa Crescent, Edinburgh EH3 8HA 031-228 3632

	Init Chrge	Canc Price	Bid Price	Offer Price	+ or -	Yield Gr's
Global Growth Acc	6	227.94	227.47	243.20	+3.65	1.71
Global Growth Inc	6	205.93	208.34	220.99	+3.31	1.71

[illegible]

INSURANCES

AXA Equity & Law Life Assce

Amersham Road, High Wycombe 0494 463463

	Bid Price	Offer Price	+ or -	Yield Gross
UK Equities Ser 5	1012.1	1065.3	+15.8	-
Higher Income Ser 5	1104.9	1163.0	+21.8	-
Property Ser 5	524.3	551.8	-	-
Fixed Interest Ser 5	426.9	449.3	+3.7	-
Index Lnkd Secs Ser 5	180.1	189.6	+1.9	-
Gtd Deposit Ser 5	288.8	304.0	-	-
Nth America Ser 5	437.2	460.2	-0.5	-
Far East Ser 5	556.2	585.5	+8.5	-
Europe Ser 5	361.7	380.7	+5.1	-
International Ser 5	553.8	582.9	+4.8	-
Balanced Ser 5	722.6	760.6	+8.3	-
Reserve Ser 5	150.0	157.8	+0.6	-
Opportunity Ser 5	164.5	173.1	+1.9	-
Distribution Ser 5	111.0	116.8	+1.1	-
Pens Equity Ser 3 (z)	1406.0	1480.9	+2.8	-
Pens Higher Inc S 3 (z)	342.7	360.7	+1.6	-
Pens Fixed Int S 3 (z)	573.1	603.4	+0.7	-
Pens Index-Linked Sec S 3 (z)	244.3	257.1	+1.0	-
Pens Property S 3 (z)	486.7	512.3	-	-
Pens N America S 3 (z)	192.4	202.5	-0.5	-
Pens Far East S 3 (z)	323.4	340.4	+1.8	-
Pens Europe S 3 (z)	200.4	210.9	-7.1	-
Pens Overseas S 3 (z)	830.7	874.4	-1.2	-
Pens Balanced S 3 (z)	823.1	866.4	+0.6	-
Pens Cash S 3 (z)	419.5	441.5	-	-
Pens DAF Series 3(z)	234.7	247.0	-	-
Pens DAF Series 1(z)	465.3	489.7	-	-
Pens Opportunity S 3 (z)	178.0	187.3	-0.1	-
Pens Reserve S 3 (z)	172.7	181.7	+0.1	-

Abbey Life Assurance Co Ltd

80 Holdenhurst Road, Bournemouth 0202 292373

	Bid Price	Offer Price	+ or -	Yield Gross
Prop. Ser. 1	267.2	[illegible]	+0.2	-
Equity Ser. 1	186.0	[illegible]	+2.1	-
Prop. Acc. Ser 2	488.0	[illegible]	+0.4	-

[illegible]

Britannia Life [redacted]

50 Bothwell Street, [redacted]

Life Funds

	Bid Price	Offer Price	+ or -	Yield Gross
Measured Performance	174.1	[illegible]		
Performance Plus	171.6	[illegible]		
With Profit Perform.	105.9	[illegible]		
Uk Opportunity	193.2	[illegible]		
European Opportunity	221.0	[illegible]		
Nth American Opp.	171.0	[illegible]		
Far Eastern Opp.	209.4	[illegible]		
Overseas	197.7	[illegible]		
Smth Prp Ser 1 Mar 6	141.5	[illegible]		
Smth Prp Ser 2	786.6	[illegible]		
Fixed Interest	197.3	[illegible]		
Cash	152.3	[illegible]		

Britannia Life Ltd

50 Bothwell Street, Glasgow G2 6HR

	Bid Price	Offer Price	+ or -	Yield Gross
Equity Pen Acc	71.80	77.2[illegible]		
Building Soc Pen Acc	45.60	48.[illegible]		
American Pen Acc	76.70	82.4[illegible]		
European Pen Acc	42.30	45.4[illegible]		
International Pen Acc	59.50	63.9[illegible]		
Managed Pen Acc	49.10	52.7[illegible]		

Canada Life Group

High St, Potters Bar, Herts, EN6 5BA

Individual Pension-Distribution

	Bid Price	Offer Price	+ or -	Yield Gross
Managed Pen Fund	542.8	[illegible]		
Property Pen Fund	164.3	[illegible]		
Index-Linked Pen Fd	189.2	[illegible]		

Series C Pension-(Accum Units)

	Bid Price	Offer Price	+ or -	Yield Gross
International Pen Fd	330.8	[illegible]		
Managed Pen Fd	372.2	[illegible]		
Property Pen Fd	287.3	[illegible]		
Index-linked Pen Fd	250.2	[illegible]		
Gilt & Fxd Int Pen Fd	333.3	[illegible]		
Equity Pen Fd	428.4	[illegible]		
High Sec Cash Pens Fd	172.4	[illegible]		

Series E Pension (Accum Units)

	Bid Price	Offer Price	+ or -	Yield Gross
International Pens Fd	176.9	[illegible]		
Managed Pens Fd	180.6	[illegible]		
Property Pens Fd	164.4	[illegible]		
Index-Linked Pens Fd	172.8	[illegible]		

OTHER UK UNIT TRUSTS

[illegible]

FT MANAGED FUNDS SERVICE

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	Bid Price	Offer Price	+ or -	Yield Gross
Royal Heritage Life Assurance Ltd - Contd.				
INVESCO MIM				
European Smaller	190.2	200.3	+2.8	-
Sth & East Asia Gwth	384.5	404.8	+3.2	-
Inc Growth	342.4	360.5	+6.3	-
Japan Smlr Cos	251.1	264.4	+2.9	-
Man Growth	269.8	284.0	+3.8	-
Gilt	89.1	93.8	+0.5	-
Perpetual Funds				
International Growth	179.2	188.7	+2.2	-
American Growth	227.2	239.2	+1.2	-
Intl Emerging Cos	271.2	285.5	+2.8	-
European	205.0	215.8	+2.2	-
Managed	209.8	220.7	+2.4	-
Royal Life Insurance Ltd				
New Hall Place, Liverpool L69 3HS 051-238 3000				
Royal Shield Fd.	991.5	1049.2	—	-
Royal Life (Unit Linked Assurances) Ltd				
Managed Fund	395.3	416.1	+3.8	-
Equity Fund	568.8	598.7	+6.5	-
Property Fund	306.3	322.4	—	-
International Fund	490.8	516.3	+4.7	-
Gilt Fund	382.5	402.6	+2.0	-
Money Fund	216.5	227.9	—	-
United States Fund	257.7	271.2	-0.2	-
Pacific Basin	305.9	322.0	+2.9	-
Royal Life (Unit Linkd. Pension Fds) Ltd				
Exempt Man Fd Acc	489.1	514.8	+5.8	-
Exempt Equity Fd Acc	871.5	917.3	+10.5	-
Exempt Prop Fd Acc	315.2	331.7	—	-
Exempt Intl Fd Acc	799.9	847.9	+9.1	-
Exempt Gilt Fd Acc	457.9	481.8	+4.5	-
Exempt Money Fd Acc	296.9	312.5	—	-
Royal Liver Assurance				
Royal Liver Building, Liverpool, L3 1HT. 051-236 1451				
UK Equity	83.1	87.5	+1.6	-
Global Equity	61.0	64.2	-0.2	-
High Yield	81.0	85.3	+1.2	-
Intl Equity	86.7	91.3	—	-
Fixed Interest	83.3	87.7	+0.7	-
Money	76.0	80.0	+0.1	-
Managed	84.1	88.5	+1.0	-
Pensions				
[illegible]				

	Bid Price	Offer Price	+ or -	Yield Gross
Scottish Widows' Group				
PO Box 902, Edinburgh EH16 5BU 031-655 6000				
Inv Pol 1 Jan 14	893.0	983.0	—	-
Inv Pol 2 Jan 14	904.4	852.1	—	-
Inv Pol 3 Jan 14	868.2	914.0	—	-
Inv Pol Cash Ser 2 Jan 14	305.0	321.2	—	-
Inv Pol Cash Ser 3 Jan 14	301.2	317.1	—	-
Mixed Fund	477.3	502.5	+5.1	-
Equity Fund	569.5	599.6	+6.2	-
Property Fund	224.5	236.5	+0.2	-
International Fund	505.0	531.7	+5.4	-
Fixed Int. Fund	403.4	424.7	+4.3	-
Index Stk. Fd.	212.1	223.4	+2.1	-
Cash Fd	221.8	233.6	—	-
Pens. Mixed Fd. Ord.	844.3	878.3	+8.9	-
Pens. Equity Fd. Ord.	777.2	818.2	+12.8	-
Pens. Prop. Fd. Ord.	304.8	[illegible]	+0.2	-
Pens. Int. Fd. Ord.	659.4	[illegible]	+8.2	-
Pens.Fxd.Int.Fd.Ord.	603.8	[illegible]	+5.7	-
Pens.Ind.Stk.Fd.Ord.	290.1	[illegible]	+2.5	-
Pen. Cash Fd. Ord.	339.9	[illegible]	—	-
Building Society	097.5	[illegible]	—	-
PM Man	3148.1	[illegible]	+105.4	-
PM St Ex	3344.9	[illegible]	+108.8	-
PM St Ex Ex	143.8	[illegible]	+4.8	-
PM St Ex Fi	152.9	[illegible]	+2.2	-
PM Property	280.0	[illegible]	+0.1	-
PM Pens Protection	214.2	[illegible]	+1.0	-
PM Ft. Protection	173.1	[illegible]	+1.1	-
PM Cash	386.5	[illegible]	+0.1	-
Skandia Life Assurance Co Ltd				
Skandia Hse. Portland Terr, Southampton 0703 334411				
Skandia Valuation Line 0800 191286				
Life Managed Funds				
Skandia Cautious	147.9	155.6	+0.4	-
Skandia Balanced	385.8	406.1	+1.6	-
Skandia Distribution	119.6	125.9	+1.4	-
Skandia Ethical Selection	124.4	130.9	+0.9	-
Skandia Deposit	260.1	273.7	+0.1	-
Abtrust Managed	133.9	140.9	+0.1	-
Baring Managed	146.2	153.8	+0.4	-
CU Managed	249.4	262.5	+0.2	-
Fidelity Managed	211.8	222.9	+1.3	-
Fleming Managed Inv Tst	146.5	154.2	+0.2	-
F & C Investment Trust	191.2	201.2	+1.1	-
Framlington Managed	240.8	253.5	+0.6	-
[illegible]				

Target Life Assurance Co Ltd

The Exchange, 66 High St, Aylesbury, Bucks [illegible]

[illegible]

Teachers' Assurance Company Ltd

[illegible]

Templeton Life Assurance Limited

[illegible]

OFFSHORE INSURANCES

[illegible]

MANAGEMENT SERVICES

[illegible]

OFFSHORE AND OVERSEAS

BERMUDA (SIB RECOGNISED)

[illegible]

CANADA (SIB RECOGNISED)

[illegible]

GUERNSEY (SIB RECOGNISED)

[illegible]

GUERNSEY (REGULATED)(**)

[illegible]

IRELAND (SIB RECOGNISED)

[illegible]

ISLE OF MAN (SIB RECOGNISED)

[illegible]

ISLE OF MAN (REGULATED)(**)

[illegible]

JERSEY (SIB RECOGNISED)

[illegible]

IRELAND (REGULATED)(**)

[illegible]

JERSEY (REGULATED)(**)

[illegible]

هكذا اصلها

هكذا من الأصل

FT MANAGED FUNDS SERVICE

● FT Cityline Unit Trust Prices are available [illegible] the telephone. Call the FT Cityline Help Desk on (071) 873 4378 for more details.

LUXEMBOURG (SIB RECOGNISED)

LUXEMBOURG (REGULATED)(**)

SWITZERLAND (SIB RECOGNISED)

OTHER OFFSHORE FUNDS

NAV Nov 30 | $83.70

Xiphias International Investment Fd Ltd

Xiphias Int US$ Acc	$1.4617		—	—
Xiphias Int ECU Acc	Ecu1.5851		—	—
Xiphias Int ECU Dis	Ecu1.3408		—	—

Yamaichi Capital Mngmt (Guernsey) Ltd

Thai Inv Fund	$19.20		—	—

MANAGED FUNDS NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % allow for all buying expenses. Prices of certain older insurance linked plans subject to capital gains tax on sales. [illegible] Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Designated as a UCITS (Undertakings for Collective Investment in Transferable Securities). x Offered price includes all expenses except agent's commission. z Previous day's price. [illegible] Guernsey gross. # Suspended. ◆ Yield before Jersey tax. † Ex-subdivision. [illegible] Only available to charitable bodies. ◆ Yield column shows annualised rates of NAV increase. [illegible]
(**) Funds not SIB recognised. The regulatory authorities for these funds are: Guernsey: Financial Services Commission; Ireland: Central Bank of Ireland; Isle of Man: Financial Supervision Commission; Jersey: Financial Services Department; Luxembourg: Institut Monétaire Luxembourgeois.

CURRENCIES AND MONEY

MARKETS REPORT

Sales data knock pound

Trading in currency markets was dominated yesterday by the pound which lost ground across the board. The release of [illegible] than expected [illegible]nomic figures prompted speculation about an early cut in interest rates, [illegible] *Gawith.*

The combination of subdued December retail sales figures and confirmation of a benign inflationary environment convinced the market that a rate [illegible] had become more likely.

The interest rate expectations were reflected in other *financial markets. In the* futures market, after opening at 94.74, the March short sterling [illegible] 11 [illegible] points [illegible] trade [illegible] a high of [illegible] falling back in late trading [illegible] 94.81.

● [illegible] closing on Tuesday at DM2.618, the pound fell below the DM2.60 level in early [illegible]ing. Later it moved above [illegible] falling [illegible] to [illegible] in London nearly one [illegible] three-quarter pfennigs lower on the day [illegible].

Mr Peter Luxton [illegible] Barclays said sterling had [illegible] "trashed" [illegible] the back [illegible] numbers [illegible] easier inflationary background, bringing [illegible] an end [illegible] currency's [illegible] against the D-Mark from DM2.54 in mid December [illegible] week. "The negative [illegible] of the pound is now coming much [illegible] fore." [illegible] Mr Luxton.

Although December's [illegible]ally adjusted [illegible] per [illegible] drop in [illegible] was *unexpected*, [illegible] currency's pull-back [illegible] not [illegible] complete surprise, with analysts viewing sterling [illegible] DM2.62 [illegible] "frothy".

[illegible] pound also [illegible] against the dollar slipping [illegible] $1.49 in morning trading after Tuesday's close [illegible] $1.4972. It ended [illegible] day [illegible] $1.4918.

The government warned, however, that [illegible] market [illegible] link any future interest [illegible] cut [illegible] sterling's strength alone. Mr Stephen Dorrell, Financial Secretary [illegible] Treasury said: "We shall watch [illegible] exchange [illegible] we [illegible] *also watch* [illegible] *number* of domestic indicators [illegible] set [illegible] rates in the light of all those indicators."

● Continued pessimism about [illegible] framework trade [illegible] the [illegible] Japan put downward pressure on the dollar in early trading. U.S. Treasury Secretary Lloyd [illegible] quoted as voicing deep concern about [illegible] of [illegible] in the talks. The dollar weakened slightly against [illegible] in early London trading to Y110.50 from the overnight London [illegible] of Y110.750. However, after [illegible] than anticipated trade data, [illegible] firmed [illegible] in London [illegible] Y110.895.

Against [illegible] D-Mark [illegible] dollar [illegible] in [illegible] narrow [illegible] all day, with [illegible] unwilling [illegible] positions ahead of today's Bundesbank council meeting. The [illegible] day slightly weaker at DM1.744, against Tuesday's London [illegible] of DM1.7487. In [illegible] poll, [illegible] of analysts predicted [illegible] would not cut rates. The majority expects [illegible] cut next month.

● The Danish crown weak[illegible] against the D-Mark [illegible] Denmark's central [illegible] lowered [illegible] discount [illegible] key deposit [illegible] 5.75 per [illegible] from 6 per [illegible] Tuesday. It closed [illegible] compared to Tuesday's [illegible] Dkr3.877.

■ The rouble continued its recent plunge following [illegible] *departure* [illegible] *government* [illegible] the reformist minister Mr Yegor Gaidar. The [illegible] unit [illegible] yesterday on [illegible] St Petersburg [illegible] Currency Exchange to 1,627 to the dollar from 1,527 on Tuesday, falling [illegible] of [illegible] to the dollar.

■ The Bank [illegible] England yesterday announced its first regular sale and repurchase facility which will put [illegible] of *liquidity into the market, of* which £3.842bn will be provided in the three-week repo expiring on February 10 and £137m in a five-week repo expiring on February 24. The [illegible] rate of [illegible] cent on the repos is the same rate currently offered on repos in the course of the Bank's daily [illegible] market operations.

The new arrangements replace [illegible] temporary facility in place since September 1992. The Bank introduced the arrangements to help relieve [illegible] money [illegible] and reduce short-term interest [illegible] volatility. The new facility showed evidence of [illegible] by [illegible] nearly £0.5bn more than [illegible] temporary facility, which was [illegible] £3.5bn, and attracting more players.

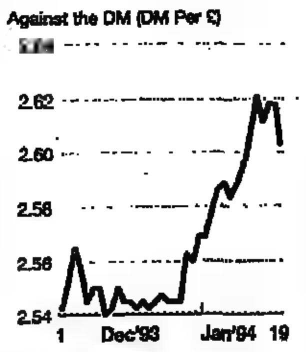
Money market [illegible] said the sudden rush of [illegible] cut speculation [illegible] the reason why the shorter-dated facility [illegible] larger [illegible] the longer facility. Investors [illegible] not want to lock into fixed rate funding [illegible] current levels when [illegible] was [illegible] chance they might fall soon.

The Bank [illegible] indicated that it plans to [illegible] regular facility to "rough" tune [illegible] short[illegible] while normal [illegible] market operations will be used for "fine" tuning purposes. Accordingly, [illegible] likely [illegible] send interest rate signals [illegible] the market through its daily operations rather than through the regular facility. The larger [illegible] sums dealt with through the regular facility, [illegible] greater [illegible] Bank's scope for fine-tuning monetary policy through its daily activities.

Yesterday was [illegible] tight day in [illegible] money [illegible] with overnight [illegible] rising from 5¾ per cent at [illegible] start of trading [illegible] 7 per [illegible] by noon with [illegible] Bank providing limited early assistance. The Bank provided *the market* with *around* £760m of late, unspecified assistance, bringing total help [illegible] the day to £1.137bn against a shortage [illegible] £1.3bn.

Sterling

Against the DM (DM Per £)



Source: FT Graphite

■ Pound in New York

[illegible] 14	—Latest—	—[illegible] close—
[illegible]	1.4920	1.4950
1 mth	1.4890	1.[illegible]
3 mth	1.4842	1.[illegible]
1 yr	1.4711	1.4745

POUND SPOT FORWARD AGAINST THE POUND

Jan 19		Closing mid-point	Change on day	[illegible] spread	[illegible] Mid high	low	[illegible] month Rate	%PA	Three [illegible] Rate	%PA	One year Rate	%PA	[illegible] Eng. Index
[illegible]													
Austria	(Sch)	18.2859	-0.1328	779 - 939	18.4254	[illegible]	[illegible]	-0.2	18.299	[illegible]	-	-	[illegible]
Belgium	(BFr)	[illegible]	-0.2699	378 - 080	54.5536	[illegible]	54.2579	-1.9	54.4129	-1.8	54.7479	-1.1	112.6
Denmark	(DKr)	10.1111	[illegible]	042 - 179	10.1631	10.1002	10.1211	-1.2	10.1306	-0.8	10.1361	-0.2	114.7
Finland	[illegible]	8.4524	[illegible]	430 - 618	8.5089	8.4430	-	-	-	-	-	-	80.9
[illegible]	(FFr)	[illegible]	-0.041	365 - 452	8.8925	8.8233	8.8504	-1.3	[illegible]	-1.0	8.8767	-0.4	107.8
Germany	(DM)	2.6016	-0.0164	006 - 025	2.6207	2.5991	2.6034	-0.8	2.6051	-0.5	2.6031	-0.1	122.1
Greece	(Dr)	372.490	-2.846	253 - 727	375.070	372.253	-	-	-	-	-	-	-
Ireland	(I£)	1.0418	[illegible]	[illegible] - [illegible]	1.0483	[illegible]	[illegible]	-0.7	1.0433	[illegible]	[illegible]	-0.4	[illegible]
[illegible]	(L)	2536.35	-9.18	[illegible] - 769	[illegible]	2532.49	2543.15	-3.2	2554.75	-2.9	2599.1	-2.5	76.2
Luxembourg	(LFr)	54.1723	[illegible]	378 - 080	[illegible].5536	54.1009	54.2579	-1.9	54.4129	-1.8	54.6479	-0.9	112.6
Netherlands	(Fl)	2.9148	-0.0161	133 - 162	2.9306	2.9104	2.9149	[illegible]	2.9137	0.2	[illegible]	0.4	117.9
Norway	(NKr)	11.1916	-0.0601	874 - 957	11.2590	11.1832	11.2075	-1.7	11.2054	-0.5	11.1918	0.0	[illegible]
Portugal	[illegible]	[illegible]	[illegible]	[illegible] - 311	[illegible]	[illegible]	[illegible]	-6.1	265.606	-5.3	-	-	-
[illegible]	[illegible]	212.351	-0.806	226 - 475	214.673	212.014	213.081	-4.1	214.161	-3.4	218.281	-2.8	84.8
Sweden	[illegible]	[illegible]	[illegible]	882 - 099	12.1463	12.0579	12.124	-2.5	12.152	-1.8	1[illegible]	-1.4	78.0
[illegible]	[illegible]	2.1773	[illegible]	760 - [illegible]	2.1900	2.1742	[illegible]	[illegible]	[illegible]	1.3	[illegible]	1.4	118.3
UK	(£)	-	-	-	-	-	-	-	-	-	-	-	82.3
Ecu	-	1.3414	-0.0064	[illegible] - 423	1.3487	1.3400	1.3429	-1.3	1.3447	-1.0	1.3478	-0.5	-
SDR†	-	[illegible]	-	-	-	-	-	-	-	-	-	-	-
Americas													
Argentina	(Peso)	1.4916	-0.0046	911 - 920	1.5009	1.4896	-	-	-	-	-	-	-
Brazil	(Cr)	597.287	+7.532	119 - 415	599.000	587.000	-	-	-	-	-	-	-
Canada	(C$)	1.9562	-0.0138	554 - 570	1.9717	1.9526	[illegible]	1.7	[illegible]	1.6	[illegible]	1.1	92.6
Mexico	(New Peso)	4[illegible]9	-0.0168	293 - 345	4.6605	4.6278	-	-	-	-	-	-	-
USA	($)	1.4918	[illegible]	914 - 921	[illegible]	[illegible]	1.4889	[illegible]	1.4839	2.1	1.4703	1.4	67.3
Pacific/Middle East/Africa													
Australia	(A$)	2.1349	[illegible]	336 - [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	0.7	2.1312	0.2	-
Hong Kong	[illegible]	[illegible]	-0.0417	211 - [illegible]	[illegible]	[illegible]	11.5041	2.1	11.4707	1.9	11.3793	1.3	-
India	(Rs)	[illegible]	-0.1731	778 - 109	47.0650	[illegible]	-	-	-	-	-	-	-
Japan	(Y)	165.428	-0.382	352 - 504	166.540	164.620	164.973	3.3	164.123	3.2	160.313	3.1	177.7
Malaysia	[illegible]	4.0718	-0.0155	693 - 742	4.0960	4.0691	-	-	-	-	-	-	-
[illegible]	[illegible]	2.6457	-0.0114	434 - 479	2.6561	2.6399	[illegible]	-1.0	2.6509	[illegible]	[illegible]	-0.3	-
Philippines	(Peso)	41.4707	-0.1501	372 - 042	41.7042	41.2372	-	-	-	-	-	-	-
[illegible]	(SR)	5.5934	-0.0203	916 - 952	5.6286	5.5861	-	-	-	-	-	-	-
Singapore	(S$)	2.3973	-0.0113	959 - 986	2.4139	2.3953	-	-	-	-	-	-	-
S Africa (Com.)	(R)	5.0884	-0.0222	849 - 918	5.1197	5.0814	-	-	-	-	-	-	-
S Africa (Fin.)	(R)	[illegible]	+0.0287	323 - 503	[illegible]	[illegible]	-	-	-	-	-	-	-
South [illegible]	[illegible]	[illegible]	-5.65	846 - 920	1216.42	1207.25	-	-	-	-	-	-	-
Taiwan	(T$)	39.4493	-0.098	326 - 660	39.7100	39.4000	-	-	-	-	-	-	-
Thailand	(Bt)	38.0695	-0.1902	456 - 933	38.2960	38.0320	-	-	-	-	-	-	-

†SDR rate for Jan 18. Bid/offer spreads in the Pound Spot table show only the last three decimal places. Forward rates are not directly quoted to the market but are implied by current interest rates. Sterling index calculated by the Bank of England. Base average 1985 = 100
Bid, Offer and Mid-rates in both this and the Dollar Spot tables derived from THE WM/REUTERS CLOSING SPOT RATES. Some values are rounded by the F.T.

DOLLAR SPOT FORWARD AGAINST THE [illegible]

[illegible]		Closing mid-point	Change on day	Bid/offer spread	Day's mid high	[illegible]	One month Rate	%PA	Three months Rate	[illegible]	One year Rate	%PA	[illegible] G'ty [illegible]
Europe													
Austria	(Sch)	12.2580	-0.0445	[illegible] - 605	[illegible]	[illegible]	12.2845	-2.6	[illegible]	[illegible]	[illegible]	-1.4	[illegible]
Belgium	(BFr)	36.3150	-0.0493	[illegible] - 300	[illegible]	[illegible]	36.445	-4.3	[illegible]	[illegible]	37.235	-2.6	102.4
Denmark	(DKr)	6.7780	-0.0005	750 - 810	[illegible]	[illegible]	6.7982	-3.6	[illegible]	-2.9	6.894	-1.7	[illegible]
Finland	(FM)	5.6861	-0.0025	611 - 711	[illegible]	[illegible]	5.6763	-2.2	[illegible]	-1.4	5.7236	-1.0	[illegible]
France	[illegible]	[illegible]	[illegible]	[illegible] - [illegible]	[illegible]	[illegible]	5.9448	-3.7	[illegible]	-3.1	6.0375	-1.9	104.1
Germany	(D)	1.7440	-0.0047	437 - 442	1.7481	[illegible]	1.7487	-3.2	[illegible]	-2.7	1.7712	-1.6	[illegible]
[illegible]	(Dr)	249.700	-1	600 - 800	[illegible]	[illegible]	253.25	-17.1	[illegible]	-16.6	292.2	-17.0	[illegible]
Ireland	(I£)	1.4319	-0.0012	299 - 339	1.4377	[illegible]	1.4281	3.2	[illegible]	2.8	1.4054	[illegible]	-
Italy	(L)	1700.26	-	975 - 075	[illegible]	[illegible]	1708.15	-5.6	1719.95	-4.6	1761.3	-3.6	[illegible]
Luxembourg	(LFr)	36.3150	-0.0493	000 - 300	36.3750	[illegible]	36.445	-4.3	[illegible]	-3.9	37.235	-2.5	[illegible]
[illegible]	(Fl)	1.9538	-0.0037	534 - 544	[illegible]	[illegible]	1.9578	-2.4	[illegible]	-2.0	1.975	-1.1	[illegible]
Norway	(NKr)	7.5023	-0.0131	[illegible] - [illegible]	[illegible]	[illegible]	7.5163	-2.2	7.54	-2.0	7.5993	-1.3	[illegible]
Portugal	(Es)	175.700	+0.05	[illegible] - [illegible]	[illegible]	[illegible]	176.9	-8.2	178.97	-7.4	186.55	-6.2	[illegible]
[illegible]	(Pta)	142.350	[illegible]	300 - 400	143.230	[illegible]	143.125	-6.5	144.32	-5.5	148.455	-4.3	80.1
Sweden	(SKr)	8.1103	+0.0166	053 - 153	8.1167	[illegible]	8.1438	-5.0	[illegible]	-3.9	8.3423	-2.9	[illegible]
[illegible]and	(SFr)	1.4595	-0.0074	590 - 600	1.4642	1.4570	1.4608	-1.1	[illegible]	-0.8	1.4595	[illegible]	[illegible]
UK	(£)	1.4918	-0.0054	914 - 921	1.5012	1.4897	1.4888	2.4	[illegible]	2.1	1.4703	1.4	[illegible]
Ecu	-	1.1121	+0.0013	116 - 126	1.1136	1.1107	1.1097	3.7	[illegible]	3.1	1.0909	1.9	-
[illegible]	-	1.37351	-	-	-	-	-	-	-	-	-	-	-
Americas													
Argentina	(Peso)	0.9999	+0.0005	998 - 999	[illegible]	[illegible]	-	-	-	-	-	-	-
Brazil	(Cr)	400.390	+6.475	375 - 385	400.390	[illegible]	-	-	-	-	-	-	-
Canada	(C$)	1.3114	-0.0044	111 - 118	1.3145	1[illegible]	1.3122	-0.7	1.3132	-0.5	[illegible]	-0.4	[illegible]
[illegible]	(New Peso)	[illegible]	-	040 - 060	[illegible]	3.1050	[illegible]	-0.7	3.1108	-0.7	[illegible]	-0.0	-
USA	($)	-	-	-	-	-	-	-	-	-	-	-	102.4
Pacific/Middle East/Africa													
Australia	(A$)	1.4311	-0.0042	306 - 316	[illegible]	[illegible]	[illegible]	-0.9	1.4353	-1.2	[illegible]	[illegible]	[illegible]
Hong Kong	(HK$)	7.7255	-	250 - [illegible]	[illegible]	7.7243	7.727	-0.2	7.7295	-0.2	[illegible]	-0.2	-
[illegible]	(Rs)	31.3688	-0.0025	650 - 725	31.3725	[illegible]	[illegible]	-3.1	31.6838	-3.6	-	-	-
Japan	(Y)	110.895	+0.145	870 - 920	111.050	110.300	110.81	0.9	110.6	1.1	[illegible]	1.7	[illegible]
Malaysia	(M$)	2.7295	-0.0005	285 - 305	2.7318	[illegible]	2.7265	1.3	2.725	0.7	[illegible]	-0.5	-
New Zealand	(NZ$)	1.7735	-0.0013	724 - 746	1.7746	1.7699	1.7748	-0.9	1.7787	-1.2	[illegible]	-0.9	-
Philippines	(Peso)	27.6000	-	500 - 500	27.9500	[illegible]	-	-	-	-	-	-	-
Saudi Arabia	(SR)	3.7496	-	492 - 499	3.7499	3.7494	3.7541	-1.4	3.7671	-1.9	[illegible]	-0.7	-
Singapore	(S$)	1.6070	-0.0018	065 - 075	[illegible]	[illegible]	1.6057	1.0	1.6034	[illegible]	1.617	[illegible]	-
S Africa (Com.)	(R)	3.4110	-0.0026	[illegible] - 125	3.4145	3.4015	3.4283	-6.1	3.4572	-5.4	3.5596	-4.4	-
S Africa (Fin.)	(R)	4.3850	+0.035	[illegible] - 900	[illegible]	[illegible]	4.412	-7.4	4.465	-7.3	-	-	-
South Korea	(Won)	810.350	-0.85	300 - [illegible]	811.600	810.300	813.35	-4.4	816.85	-3.2	[illegible]	-3.1	-
Taiwan	(T$)	[illegible]	+0.03	400 - 500	[illegible]	26.4200	26.5039	-2.7	26.625	-2.7	-	-	-
Thailand	(Bt)	25.5200	[illegible]	100 - [illegible]	25.5300	[illegible]	25.56	-1.9	25.615	-1.5	25.84	-1.3	-

[illegible] for Jan 18. Bid/offer spreads in the Dollar Spot table show only the last three decimal places. Forward rates are not directly quoted to the market but are implied by current interest rates. Morgan Guaranty Changes shown for Jan 18. Base average 1990=100

CROSS RATES AND DERIVATIVES

EXCHANGE CROSS RATES

Jan 19		BFr	DKr	FFr	DM	I£	L	Fl	NKr	Es	Pta	SKr	SFr	£	C$	$	Y	Ecu
Belgium	(BFr)	100	18.66	16.32	[illegible]	1.924	4662	5.381	20.66	[illegible]	392.1	22.32	[illegible]	[illegible]	3.611	2.754	305.3	2.476
Denmark	(DKr)	53.58	10	8.745	2.574	1.031	2506	2.883	11.07	259.2	[illegible]	11.96	2.153	[illegible]	[illegible]	1.476	163.6	1.326
France	(FFr)	61.27	11.44	[illegible]	2.943	[illegible]	2866	3.297	[illegible]	[illegible]	240.2	[illegible]	2.462	1.131	[illegible]	[illegible]	187.1	1.517
Germany	(DM)	20.82	3.888	3.398	1	0.400	974.8	[illegible]	4.301	100.7	81.63	4.646	0.837	0.384	0.752	0.573	[illegible]	0.515
Ireland	(I£)	51.99	9.702	8.485	2.497	1	[illegible]	2.798	[illegible]	251.6	[illegible]	11.60	2.089	0.960	1.877	1.432	[illegible]	[illegible]
Italy	(L)	2.136	0.399	0.349	0.103	[illegible]	[illegible]	[illegible]	0.441	10.34	8.375	[illegible]	[illegible]	0.039	[illegible]	0.059	6.522	0.053
Netherlands	(Fl)	18.58	3.468	3.033	0.893	0.357	[illegible]	1	3.839	89.91	72.88	[illegible]	0.747	[illegible]	0.671	0.512	56.74	0.460
Norway	(NKr)	48.41	9.035	7.901	2.325	0.931	2268	2.605	10	234.2	[illegible]	10.80	1.945	0.894	1.748	[illegible]	147.8	[illegible]
Portugal	(Es)	20.67	3.857	[illegible]	[illegible]	0.398	[illegible]	1.112	4.269	100.	81.04	4.613	0.831	0.382	[illegible]	0.569	63.11	[illegible]
Spain	(Pta)	25.50	4.760	4.152	1.225	0.491	[illegible]	1.372	[illegible]	[illegible]	100.	5.692	1.025	0.471	0.921	0.702	77.87	0.631
Sweden	(SKr)	44.81	8.362	[illegible]	2.152	[illegible]	[illegible]	2.411	9.268	216.8	175.7	10	1.801	0.827	1.618	[illegible]	[illegible]	1.109
Switzerland	(SFr)	24.88	4.644	4.061	[illegible]	0.479	1165	1.339	5.140	120.4	[illegible]	5.554	1	0.459	0.898	0.685	75.98	0.615
UK	(£)	54.17	10.11	[illegible]	2.602	1.042	2536	2.915	11.19	262.1	[illegible]	12.09	2.177	1	1.956	[illegible]	165.4	1.341
Canada	(C$)	27.69	5.169	[illegible]	1.330	0.533	[illegible]	[illegible]	5.721	[illegible]	[illegible]	[illegible]	1.113	0.511	1	0.763	[illegible]	0.686
US	($)	36.31	6.776	[illegible]	1.744	0.698	1700	[illegible]	[illegible]	175.7	142.4	[illegible]	1.459	0.670	1.311	1	110.9	[illegible]
Japan	(Y)	327.5	61.12	[illegible]	[illegible]	[illegible]	15333	[illegible]	[illegible]	1585	[illegible]	[illegible]	13.16	[illegible]	11.83	[illegible]	1000.	8.106
Ecu		40.40	7.539	[illegible]	[illegible]	[illegible]	1891	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	1.623	0.746	[illegible]	1.113	123.3	1

Yen per 1,000; Danish Kroner, French Franc, Norwegian Kroner and Swedish Kronor per 10; Belgian Franc, Escudo, Lira and Peseta per 100.

■ D-MARK FUTURES (IMM) DM 125,000 per [illegible]

	Open	Latest	[illegible]	High	Low	Est. [illegible]	Open Int.
Mar	[illegible]	0.5709	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Jun	-	0.5677	-	0.5677	0.5670	[illegible]	7,123
Sep	-	0.5651	+0.0030	-	-	7	260

■ JAPANESE YEN FUTURES (IMM) Yen 12.5 per Yen 100

	Open	Latest	Change	High	Low	Est. vol	Open Int.
Mar	[illegible]	0.9050	[illegible]	[illegible]	[illegible]	17,119	[illegible]
Jun	0.9097	[illegible]	+0.0002	[illegible]	[illegible]	423	[illegible]
Sep	0.9130	0.9125	+0.0005	[illegible]	[illegible]	[illegible]	[illegible]

■ SWISS FRANC FUTURES (IMM) SFr 125,000 per SFr

Mar	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	26,707	[illegible]
Jun	0.6835	0.6835	[illegible]	[illegible]	0.6813	51	823
Sep	-	[illegible]	[illegible]	-	-	7	28

■ STERLING FUTURES (IMM) [illegible] per £

Mar	1.4906	[illegible]	[illegible]	[illegible]	[illegible]	8,358	[illegible]
Jun	1.4800	[illegible]	-0.0010	[illegible]	1.4800	6	[illegible]
Sep	-	1.4770	-	1.4820	1.4770	1	11
Dec	-	[illegible]	-	-	[illegible]	7	10

EMS EUROPEAN CURRENCY UNIT RATES

Jan [illegible]	Ecu cen. rates	Rate against Ecu	[illegible] on [illegible]	% +/- from cen. [illegible]	[illegible] spread v [illegible]	Div. ind.
Ireland	0.808628	0.777884	+0.001367	-3.80	6.59	26
Netherlands	2.19672	[illegible]	-0.00142	-0.92	3.49	-
Germany	1.94964	1.94314	-0.0026	[illegible]	2.88	-
Belgium	40.2123	40.4381	-0.0033	0.56	[illegible]	-4
France	6.53883	6.59867	+0.00037	0.92	1.61	[illegible]
Portugal	192.854	195.617	+0.144	1.43	1.09	-10
Denmark	7.43679	7.54381	[illegible]	1.44	1.09	-10
Spain	154.250	158.168	-0.678	2.54	0.00	-18
NON ERM MEMBERS						
Greece	264.513	278.219	-0.469	[illegible]	-2.51	-
Italy	1793.19	1892.29	+4.44	5.53	-2.83	-
UK	0.786749	0[illegible]	+0.002732	-5.26	[illegible]	-

Ecu central rates set by the European Commission. Currencies are in descending relative strength. Percentage changes are for Ecu; a positive change denotes a weak currency. Divergence shows the ratio between two spreads: the percentage difference between the actual market and Ecu central rates for a currency, and the maximum permitted percentage deviation of the currency's market rate from its Ecu central rate.
(17/9/92) Sterling and Italian Lira suspended from ERM. Adjustment calculated by the Financial Times.

■ PHILADELPHIA SE £/$ OPTIONS £31,250 (cents per pound)

[illegible]	CALLS Feb	Mar	Apr	PUTS [illegible]	Mar	Apr
[illegible]	8.90	[illegible]	8.79	-	[illegible]	0.38
[illegible]	6.48	6.51	[illegible]	[illegible]	[illegible]	0.77
1.450	4.13	4.44	4.91	0.61	0.69	1.41
1.500	2.22	[illegible]	3.37	1.75	1.46	2.34
1.500	0.87	1.52	2.23	[illegible]	[illegible]	3.68
1.525	0.24	0.74	1.37	5.80	[illegible]	5.21

Previous day's vol., Calls 13,787 Puts 16,089 . Prev. day's open int., Calls 803,868 Puts 488,448

WORLD INTEREST RATES

MONEY RATES

January 19	Over night	[illegible]	Three [illegible]	[illegible]	[illegible]	Lomb. [illegible]	[illegible]	[illegible]
Belgium	7¼	[illegible]	7⅛	6¾	6⅜	7.40	5.25	-
week ago	7¼	7¼	7	[illegible]	6¼	7.40	5.25	-
France	[illegible]	6½	6¼	6	[illegible]	6.20	-	7.75
week ago	[illegible]	6½	[illegible]	6	5⅞	6.20	-	7.75
Germany	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	6.00
week ago	6.02	[illegible]	5.90	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Ireland	5⅞	6⅜	6⅜	5⅞	6⅛	-	-	[illegible]
week ago	[illegible]	[illegible]	[illegible]	6⅛	6[illegible]	-	-	[illegible]
Italy	9¼	8¾	[illegible]	[illegible]	7⅞	-	[illegible]	[illegible]
week ago	[illegible]	8¾	[illegible]	[illegible]	8	-	8.00	[illegible]
Netherlands	[illegible]	5.40	[illegible]	[illegible]	[illegible]	-	5.25	-
week ago	[illegible]	[illegible]	5.20	[illegible]	[illegible]	-	[illegible]	-
Switzerland	[illegible]	[illegible]	4¼	3⅞	3⅞	[illegible]	[illegible]	-
week ago	4⅞	[illegible]	[illegible]	3⅞	[illegible]	[illegible]	[illegible]	-
US	[illegible]	3¼	[illegible]	3⅜	3⅞	-	[illegible]	-
week ago	[illegible]	3¼	3¼	[illegible]	3⅞	-	[illegible]	-
Japan	2⅛	2⅛	2⅛	2	1⅞	-	[illegible]	-
week ago	2⅛	2⅛	2⅛	1⅞	1⅞	-	1.75	-
■ [illegible] FT [illegible]								
[illegible]	-	[illegible]	[illegible]	3¼	[illegible]	-	-	-
week ago	-	[illegible]	[illegible]	3⅜	[illegible]	-	-	-
[illegible] Dollar [illegible]	-	2.97	[illegible]	[illegible]	[illegible]	-	-	-
week ago	-	2.97	3.01	3.14	[illegible]	-	-	-
[illegible] Linked [illegible]	-	[illegible]	[illegible]	[illegible]	3⅞	-	-	-
week ago	-	3⅞	3⅞	3⅜	[illegible]	-	-	-

3 Month US Treasury Bill Yield 3.03 Prime Rate 6pc § LIBOR interbank fixing rates are offered rates for $10m quoted to the market by four reference banks at 11am each working day. The banks are: Bankers Trust, Bank of Tokyo, Barclays and National Westminster.
Mid rates are shown for the domestic Money Rates, US $ CDs and SDR Linked Deposits (Ds).

EURO CURRENCY INTEREST RATES

Jan 19	[illegible] term	[illegible] days notice	One month	Three months	Six [illegible]	[illegible]
[illegible] Franc	7¼ - 7⅛	7¼ - 7⅛	[illegible] - 7⅛	7⅛ - 7⅛	6⅞ - 6⅞	6⅞ - 6¼
Danish Krone	7¼ - 7	6¾ - 6½	6⅞ - 6⅞	6½ - 6	5⅞ - 5⅝	5⅝ - 5⅜
D-Mark	6⅛ - 6	6⅛ - 6⅛	[illegible] - 6	5⅞ - 5¾	5⅝ - 5½	5⅛ - 5⅛
Dutch Guilder	4⅞ - 4⅝	5⅜ - 5¼	5⅜ - 5¼	5⅛ - 5⅛	5 - 4⅞	4⅞ - 4⅞
French Franc	6⅝ - 6½	6⅝ - 6½	6⅛ - 6⅛	6⅛ - 6⅛	6 - 5⅞	5⅝ - 5½
Portuguese [illegible]	11 - 10¾	11 - 10½	11 - [illegible]	10⅞ - 10⅞	10⅞ - 10½	10½ - 10
Spanish Peseta	9⅛ - 9	9⅛ - 9⅛	9⅛ - 9⅛	8⅞ - 8⅝	8⅛ - 8⅛	8⅛ - 8
Sterling	6¼ - 5½	5⅛ - 5⅛	5⅜ - 5⅛	5⅜ - 5¼	5¼ - 5⅛	5¼ - 5⅛
Swiss Franc	4⅛ - 4	4¼ - 4	4⅛ - 4⅛	4 - 3⅞	3⅞ - 3¾	[illegible] - 3⅛
Can. Dollar	3⅞ - 3⅞	3⅞ - 3⅝	3¾ - 3⅝	3¾ - 3⅝	3⅞ - 3¾	4⅛ - 3⅞
US Dollar	3⅜ - 3¼	3⅛ - 3	3⅛ - 3	3¼ - 3⅛	[illegible] - 3⅜	3¾ - 3⅝
Italian Lira	10 - 8	8½ - 8	8⅜ - 7⅞	8⅜ - 7⅞	8⅛ - 7¾	8⅛ - 7⅞
Yen	2⅜ - 2¼	2⅜ - 2¼	2⅛ - 2⅛	2⅛ - 2⅛	[illegible] - 1⅞	2 - 1⅞
Asian $Sing	3½ - 2½	3½ - 2½	3½ - 2½	4 - 3	4 - 3	4¼ - 3¼

Short term rates are call for the US Dollar and Yen, others: two days' notice.

■ THREE MONTH PIBOR FUTURES (MATIF) Paris interbank offered rate

	Open	[illegible]	Change	High	Low	Est. vol	Open int.
Mar	94.19	[illegible]	+0.03	94.20	94.17	[illegible]	118,318
Jun	94.68	94.70	+0.03	94.72	94.68	11,800	[illegible]
Sep	95.08	95.06	+0.01	95.03	95.01	[illegible]	36,676
Dec	[illegible]	95.35	[illegible]	[illegible]	95.33	[illegible]	[illegible]

■ THREE MONTH EURODOLLAR (LIFFE)* $1m points [illegible]

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	[illegible]	96.62	0.02	96.63	96.61	143	[illegible]
Jun	[illegible]	96.32	0.02	[illegible]	96.32	104	3181
Sep	96.03	96.03	0.04	96.03	96.03	58	[illegible]
Dec	-	95.64	0.04	-	-	0	[illegible]

■ THREE MONTH EUROMARK FUTURES (LIFFE)* DM1m points of 100%

	Open	Sett price	Change	High	Low	[illegible]	[illegible] int.
Mar	[illegible]	[illegible]	0.03	[illegible]	94.45	[illegible]	[illegible]
Jun	94.91	94.92	0.03	94.94	94.90	38126	177121
Sep	95.29	95.27	-	95.30	95.25	[illegible]	[illegible]
Dec	95.51	95.49	-0.01	95.53	95.47	8622	[illegible]

■ THREE MONTH EUROLIRA INT.RATE FUTURES (LIFFE) L1000m points of 100%

	Open	Sett price	Change	High	Low	[illegible]	Open int.
Mar	92.08	92.05	[illegible]	92.10	92.04	3980	48226
Jun	92.60	92.60	-	92.61	92.58	2371	29613
Sep	93.00	92.98	-0.01	93.01	[illegible]	[illegible]	[illegible]
Dec	93.22	93.19	-0.02	93.22	[illegible]	670	8218

■ THREE MONTH EURO SWISS FRANC FUTURES (LIFFE) SFr1m points of 100%

	Open	Sett price	Change	High	[illegible]	Est. vol	Open int.
Mar	[illegible]	96.25	-0.01	[illegible]	96.23	3009	35409
Jun	[illegible]	[illegible]	-0.01	[illegible]	[illegible]	794	[illegible]
Sep	95.66	95.65	-	95.66	95.63	567	[illegible]
Dec	[illegible]	[illegible]	0.02	[illegible]	[illegible]	66	[illegible]

■ THREE MONTH ECU FUTURES (LIFFE) Ecu1m points of 100%

	Open	Sett price	Change	High	[illegible]	Est. [illegible]	Open int.
Mar	[illegible]	[illegible]	[illegible]	94.05	94.02	1063	13906
Jun	94.52	94.55	0.04	94.56	94.52	820	[illegible]
Sep	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	184	7721
Dec	95.24	95.24	0.04	95.24	95.24	20	8142

* LIFFE [illegible] traded on APT

■ THREE MONTH EURODOLLAR (IMM) $1m points of 100%

	Open	[illegible]	Change	High	Low	[illegible]	Open int.
Mar	96.62	96.61	-	96.63	[illegible]	[illegible]	[illegible]
Jun	96.31	96.31	+0.01	96.33	96.30	[illegible]	[illegible]
Sep	96.01	96.02	+0.02	96.04	96.00	30,521	[illegible]
Dec	95.64	95.63	+0.02	95.64	95.61	[illegible]	201,026

■ US TREASURY BILL FUTURES (IMM) $1m [illegible]

Mar	96.32	[illegible]	[illegible]	96.02	96.91	1,652	[illegible]
Jun	96.65	96.63	+0.02	96.65	96.63	185	[illegible]
Sep	-	96.37	+0.02	-	-	137	2,337

[illegible] figs. [illegible] for [illegible] day

■ EUROMARK OPTIONS (LIFFE) DM1m points of 100%

Strike Price	CALLS Mar	Jun	Sep	PUTS Mar	Jun	[illegible]
9425	0.25	0.69	1.04	0.03	0.02	0.02
9450	0.08	0.46	0.80	0.11	0.04	[illegible]
9475	0.02	0.26	0.56	0.30	0.09	0.06

Est. vol. total, Calls 2079 Puts 1762. Previous day's open int., Calls 181460 Puts 115747

■ EURO SWISS FRANC OPTIONS (LIFFE) SFr 1m points of 100%

Strike Price	CALLS Mar	Jun	Sep	PUTS Mar	Jun	Sep
9625	0.11	0.33	0.49	0.11	0.06	0.09
9650	0.03	0.16	0.31	0.28	0.14	[illegible]
9675	[illegible]	0.06	0.17	0.52	0.29	[illegible]

Est. vol. total, Calls 0 Puts 0. Previous day's open int., Calls 1149 Puts 2700

UK INTEREST RATES

LONDON MONEY RATES

Jan 19	Over-night	7 days notice	One month	Three months	Six months	One year
Interbank Sterling	9 - 5¼	5⅜ - 5¼	5½ - 5⅜	5⅞ - 5⅜	5⅜ - 5⅜	5¼ - 5⅛
Sterling CDs	-	-	5⅜ - 5¼	5¼ - 5⅜	5⅜ - 5⅛	5⅜ - 5⅜
Treasury Bills	-	-	5⅜ - 5⅛	5 - 4⅞	-	-
Bank Bills	-	-	5⅜ - 5⅛	5⅜ - 5⅛	5 - 4⅞	-
Local authority deps.	5⅜ - 5⅞	5⅞ - 5⅜	5⅞ - 5⅜	5⅞ - 5⅜	5⅜ - 5¼	5⅜ - 5¼
Discount market deps.	6 - 5	5⅜ - 5⅜	-	-	-	-

UK clearing bank base lending rate 5½ per cent from November 23, 1993

	Up to 1 month	1-3 month	3-6 months	6-9 months	9-12 months
Certs of Tax dep. (£100,000)	1¾	4¼	4	3¾	3¾

Certs of Tax dep. under £100,000 is 2¼pc. Deposits withdrawn for cash 1pc.
[illegible] tender rate of discount 4.9094pc. ECGD fixed rate [illegible] Export Finance. Make up day December 31, 1993. Agreed rate for [illegible] Jan 26, [illegible] to Feb 25, 1994, Schemes II & III 6.65pc. Reference rate for period Dec 1, [illegible] to Dec 31, 1993, Schemes IV & V 5.375pc. Finance House Base Rate 5½pc from Jan 1, [illegible]

■ THREE MONTH STERLING FUTURES (LIFFE) £500,000 points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	94.74	94.82	0.09	94.85	94.72	52639	113044
Jun	94.92	94.99	0.06	95.04	94.89	45143	105752
Sep	94.93	95.01	0.09	95.07	94.90	14441	56711
Dec	94.87	94.99	0.13	95.07	94.87	14655	63711

Traded on APT. All Open interest figs. are for previous day.

■ SHORT STERLING OPTIONS (LIFFE) £500,000 points of 100%

[illegible]	CALLS Mar	Jun	Sep	PUTS [illegible]	Jun	Sep
9475	0.14	0.32	0.40	0.07	0.08	0.14
9500	[illegible]	0.17	[illegible]	[illegible]	[illegible]	0.24
9525	[illegible]	0.07	0.14	[illegible]	[illegible]	0.38

Est. vol. total, Calls 6957 Puts 6765. Previous day's open int., Calls 141462 Puts 13[illegible]

BASE LENDING RATES

	%		%		%
Adam & Company	5.5	Duncan Lawrie	5.5	* Roxburghe Bank Ltd is no longer authorised as a banking institution.	8
Allied Trust Bank	5.5	Exeter Bank Limited	6.5	Royal Bk of Scotland	5.5
AIB Bank	5.5	Financial & Gen Bank	6	●Smith & Williamson Secs.	5.5
●Henry Ansbacher	5.5	●Robert Fleming & Co	5.5	Standard Chartered	5.5
Bank of Baroda	5.5	Girobank	5.5	TSB	5.5
Banco Bilbao Vizcaya	5.5	●Guinness Mahon	5.5	●United Bk of Kuwait	6.5
Bank of Cyprus	5.5	Habib Bank AG Zurich	5.5	Unity Trust Bank Plc	5.5
Bank of Ireland	5.5	●Hambros Bank	5.5	Western Trust	5.5
Bank of India	5.5	Heritable & Gen Inv Bk	5.5	Whiteaway Laidlaw	5.5
Bank of Scotland	5.5	●Hill Samuel	5.5	Wimbledon & Sth West	6.5
Barclays Bank	5.5	C. Hoare & Co	5.5	Yorkshire Bank	5.5
Brit Bk of Mid East	5.5	Hongkong & Shanghai	5.5		
●Brown Shipley	5.5	Julian Hodge Bank	5.5	● [illegible] of [illegible] Banking & [illegible] Houses [illegible]	
CL Bank Nederland	5.5	●Leopold Joseph & Sons	5.5	* [illegible]	
Citibank NA	5.5	Lloyds Bank	5.5		
City Merchants Bank	5.5	Meghraj Bank Ltd	5.5		
Clydesdale Bank	5.5	Midland Bank	5.5		
The Co-operative Bank	5.5	* Mount Banking	6		
Coutts & Co	5.5	NatWestminster	5.5		
Credit Lyonnais	5.5	●Rea Brothers	5.5		
Cyprus Popular Bank	5.5				

MONEY MARKET FUNDS

Money Market Trust Funds

CAF Money Management Co Ltd [illegible]

The COIF Charities Deposit Account [illegible]

Cent. Bd. of Fin. of Church of England [illegible]

Gartmore Money Management Ltd [illegible]

Money Market Bank Accounts

Aitken Hume Bank plc [illegible]

Allied Trust Bank Ltd [illegible]

American Express Bank Ltd [illegible]

Bank of Ireland High Interest Cheque Acc [illegible]

Bank of Scotland [illegible]

Barclays Select [illegible]

Barclays Prime Account H.I.C.A. [illegible]

Brown Shipley & Co Ltd [illegible]

Caledonian Bank Plc [illegible]

Cater Allen Ltd [illegible]

Charterhouse Bank Limited [illegible]

Clydesdale Bank Flexible Solution Acc [illegible]

The Co-operative Bank [illegible]

[illegible] Western Trust High Interest Cheque Acc [illegible]

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WORLD STOCK MARKETS

EUROPE

AUSTRIA (Jan 19 / Sch)

BELGIUM/LUXEMBOURG (Jan 19 / Frs.)

DENMARK (Jan 19 / Kr)

FINLAND (Jan 19 / Mks)

FRANCE (Jan 19 / Frs.)

GERMANY (Jan 19 / Dm.)

ITALY (Jan 19 / Lire)

NETHERLANDS (Jan 19 / Frs.)

NORWAY (Jan 19 / Kroner)

SPAIN (Jan 19 / Pta)

SWEDEN (Jan 19 / Kronor)

SWITZERLAND (Jan 19 / Frs.)

PACIFIC

JAPAN (Jan 19 / Yen)

	+/-	High	Low	Yld	P/E		+/-	High	Low	Yld	P/E
Sankyo 2,820	...	3,080	2,210	0.4	...	PacDun	+.06	5.76	4.25	3.6	—
Sanno 1,430	−150	2,570	912	...	...	Pancon	+.02	2.10	0.88	—	—
SnwaBk 2,140	+70	2,480	1,480	...	...	Psmnco	+.14	2.02	0.88	...	...
SnwaSh 952	+32	7,120	788	...	...	Pionin	+.03	2.92	2.19	5.3	11.8
SnyoEl 448	+1	499	342	...	...	PlaPac	+.06	3.90	1.28	0.9	—
Spporo 929	−2	1,120	830	...	...	Putnc	+.12	8.85	2.06	...	...
Secom 6,070	−40	7,330	5,360	0.6	...	PosGld	+.02	5.10	1.47	2.8	...
SegaEn 9,210	−180	11,500	7,550	...	...	QBE In	+.10	6.70	3.76	3.3	...
SeibuR 3,600	+120	4,600	2,100	...	...	QCT Rs	+.11	1.81	1.06	5.7	...
SeinoT 1,640	+20	1,980	1,240	0.7	...	RnsnGd	+.15	9.65	2.85	0.8	...
SeiyoF 1,100	−30	1,310	800	...	...	Rothmn	+.03	7.70	5.15	6.8	7.5
Seiyu 1,450	+30	1,500	1,080	...	...	Santos	+.12	4.49	2.60	5.8	9.2
SekChm 1,020	+30	1,110	676	...	...	SmthHw	+.06	8.85	5.08	4.2	—
SekHse 1,390	+10	1,500	926	1.3	...	SonGwn	−.05	9.40	4.76	8.5	—
Settsu 425	+10	569	300	1.2	...	Stnc'g	+.02	3.90	2.94	...	...
9vElev 8,420	+90	9,300	6,084	...	...	Stoldd	—	3.70	2.83	[illegible]	[illegible]
Sharp 1,860	+10	1,800	939	...	...	TNT	+.06	2.36	1.68	[illegible]	[illegible]

HONG KONG (Jan 19 / HK $)

MALAYSIA (Jan 19 / MYR)

SINGAPORE (Jan 19 / S$)

AUSTRALIA (Jan 19 / Aust$)

NORTH AMERICA

CANADA

TORONTO (Jan 19 / Can $) 4 pm close

MONTREAL (Jan 19 / Can $) 4 pm close

AFRICA

SOUTH AFRICA (Jan 19 / Rand)

Prices supplied by Telekurs

NOTES - Prices on this page are as quoted on the individual exchanges and are mostly last traded prices. Highs/Lows are based on data from Jan 1 1993. s Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

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■ TOKYO - MOST ACTIVE STOCKS: Wednesday, January 19, 1994

	Stocks Traded	Closing Prices	Change on day		Stocks Traded	Closing Prices	Change on day
Fujitsu	[illegible]	905	+18	Isuzu Motors	4.5m	423	+15
Oki Elec	[illegible]	808	+24	Nippon Steel	4.4m	320	+1
Sumitomo Mtl Min	7.1m	955		Sanrio	3.9m	1,430	-150
NEC	5.5m	978	+23	Sumitomo Bank	3.8m	2,100	+90
Hitachi	5.0m	860	+13	Mitsubishi Hvy	3.8m	685	+9

INDICES

	Jan 19	Jan 18	Jan 17	1993/94 High		Low	
SE Sens.(1979)	3825.9	[illegible]1.0	4020.8	4020.80	17/1/94	2100.67	23/4/93
Indonesia							
Jakarta Comp.(10/8/82)	596.00	592.01	587.16	612.89	5/1/94	273.31	5/1/93
Ireland							
SEQ Overall(4/1/88)	2075.81	2071.24	2052.34	2075.81	18/1/94	1191.19	11/1/93
Italy							
Banca Comm Ital (1972)	617.35	617.40	615.30	[illegible]	[illegible]	446.38	6/1/93
MIB General (4/1/94)	989.0	989.0	984.0	[illegible]	[illegible]	944.00	10/1/94
Japan							
Nikkei 225 (16/5/49)	19039.40	18514.55	18725.37	21[illegible]	13/9/93	16078.71	[illegible]1/93
Nikkei 300 (1/10/82)	284.84	278.92	279.81	306.84	10/11/[illegible]	249.84	[illegible]1/93
Topix (4/1/68)	1541.15	1511.39	1515.91	1698.67	3/9/93	1250.06	[illegible]/93
2nd Section (4/1/68)	2048.61	2031.00	2017.38	2384.97	7/6/93	1851.72	[illegible]/93
Malaysia							
KLSE Comp.(4/4/86)	1081.78	1110.22	1104.14	1314.46	5/1/94	614.28	13/1/93

	Jan 19	Jan 18	Jan 17	High		Low	
MS Capital Int (1/1/[illegible])	615.5*	[illegible]	608.6	615.50	19/1/94	468.60	13/1/93
CROSS-BORDER							
Eurotrack 100(26/10/90)	1488.83	1479.03	1474.69	1493.81	11/1/94	[illegible]	13/1/93
Euro Top-100 (26/6/90)	1268.89	1258.72	1253.71	1268.89	19/1/94	[illegible]	13/1/93
JCapelDgns (31/12/88)	(u)	351.34	347.46	355.19	5/1/94	[illegible]	4/1/93
Barings Emerg.(7/1/92)	170.05	170.16	167.79	172.25	6/1/94	[illegible]	4/2/93

** Sat Jan 15: Taiwan Weighted Price 6067.12; Korea Comp Ex 886.65. ф Home Bonds Indices were recalculated at source for December 1-23, 1993. The figures are available from FT Readers Enquiries: FAX no. +44 71 873 3084/tel. no. +44 71 873 4211. §§ Montreal. ♦ Toronto. (c) Closed. (u) Unavailable. ‡ IBIS/DAX after-hours index: Jan 19 - 2132.52 +2.17.

■ CAC-40 STOCK INDEX FUTURES (MATIF)

	Open	Sett Price	Change	High	Low	Est. vol.	Open int.
Jan	2269.0	2288.0	+31.0	2295.0	2264.0	26,322	32,707
Feb	2282.5	2299.0	+31.5	2308.0	2280.0	2,685	2,991
Mar	2294.0	2311.0	+31.5	2318.5	2290.0	466	36,190
Jun	-	2306.0	+31.0	-	-	-	2,295

Open interest figures for previous day.

US INDICES

Dow Jones	Jan 18	Jan 17	Jan 14	1993/4 High	1993/4 Low	Since compilation High	Since compilation Low
Industrials	3870.29	3870.29	3867.20	3870.29 (17/1/94)	3241.65 (20/1/93)	3870.29 (17/1/94)	41.22 (2/7/32)
Home Bonds ф	105.52	105.29	105.42	109.77 (18/10/93)	103.49 (11/1/93)	109.77 (18/10/93)	54.99 (1/10/81)
Transport	1822.58	1822.58	1834.81	1834.81 (14/1/94)	1453.64 (4/1/93)	1834.81 (14/1/94)	12.32 (8/7/32)
Utilities	220.80	220.21	221.38	256.46 (31/8/93)	217.14 (8/1/93)	256.46 (31/8/93)	10.50 (8/4/32)

DJ Ind. Day's high 3905.19 (3896.75) Low 3840.75 (3833.71) (Theoretical♦)
Day's high 3882.11 (3878.17) Low 3854.10 (3858.79) (Actual♦)

Standard and Poors	Jan 18	Jan 17	Jan 14	1993/4 High	1993/4 Low	Since compilation High	Since compilation Low
Composite ‡	474.25	473.30	[illegible]	475.27 (10/1/94)	[illegible]	[illegible]	4.40 (1/6/32)
Industrials	552.91	551.91	552.62	553.49 (10/1/94)	[illegible]	553.49 (10/1/94)	3.62 (21/6/32)
Financial	44.96	45.08	45.38	48.40 (28/9/93)	39.89 (8/1/93)	48.40 (28/9/93)	8.64 (1/10/74)
NYSE Comp.	262.76	262.31	262.90	262.90 (14/1/94)	236.21 (8/1/93)	[illegible]	4.46 (25/4/42)
Amex Mkt Val	481.84	481.78	480.59	484.28 (2/11/93)	395.84 (8/1/93)	484.28 (2/11/93)	29.31 (9/12/72)
NASDAQ Cmp	[illegible]	792.10	792.81	793.82 (18/1/94)	645.87 (25/4/93)	[illegible]	54.87 (31/10/72)

■ RATIOS

	Jan 14	Jan 7	Dec 31	Year ago
Dow Jones Ind. Div. Yield	2.62	2.65	2.68	3.17
	Jan 12	Jan 5	Dec 29	Year ago
S & P Ind. Div. yield	2.35	2.38	2.38	2.58
S & P Ind. P/E ratio	28.07	27.72	27.21	26.85

■ STANDARD AND POORS 500 INDEX FUTURES $500 times index

	Open	Latest	Change	High	Low	Est. vol.	Open int.
Mar	473.35	474.15	-0.25	474.75	474.00	41,528	180,439
Jun	-	475.40	+0.75	-	-	437	14,519
Sep	-	476.80	+0.80	-	-	5	819

Open interest figures are for previous day.

■ NEW YORK ACTIVE STOCKS

Tuesday	Stocks traded	Close price	Change on day
RJR Nabisco	5,669,500	7	+¼
Chrysler	4,267,100	62½	+¾
Gen Motors	3,177,900	62	+1¼
Coca Cola	2,881,100	41	−⅜
Citicorp	2,824,800	41¼	+⅛
Merck	2,785,600	36½	——
Telefonos	2,502,500	67¼	+1¾
Paramount	2,446,300	80	+1¼
Santa Fe	2,389,300	28⅛	+1⅛
Amer T & T	2,275,000	55	+⅛

■ TRADING ACTIVITY

● Volume (million)	Jan 18	Jan 17	Jan 14
New York SE	301.408	221.337	304.956
Amex	19.501	15.529	18.864
NASDAQ	(u)	243.446	289.857
NYSE			
Issues Traded	2,719	2,695	2,740
Rises	1,198	987	1,254
Falls	896	1,054	860
Unchanged	625	644	626
New Highs	154	117	126
New Lows	22	15	17

† Correction. * Calculated at 15.00 GMT. ● Excluding bonds. ‡ Industrial, plus Utilities, Financial and Transportation. ♦ The DJ Indl. index theoretical day's highs and lows are the averages of the highest and lowest prices reached during the day by each stock; whereas the actual day's highs and lows (supplied by Telekurs) represent the highest and lowest values that the index has reached during the day. (The figures in brackets are previous day's). ¥ Subject to official recalculation.

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

4 pm close January 19

1993/94 High	Low	Stock	Div.	Yld. %	P/ E	Sls 100s	High	Low	Close Quote	Chng Prev. Close
15¾	11½	AAR	0.48	3.1	520	222	u15¾	15¼	15⅝	
29⅞	12¾	A L Labs A	0.18	1.1	37	381	16⅛	15⅞	16⅛	+¼
67¼	54⅝	AMP	1.60	2.5	22	1246	64½	63½	63¾	-¾
72¾	55½	AMR			56	5619	71⅝	68½	71½	+1⅝
4¼	1¾	ARX			16	831	4⅛	4	4⅛	
56⅛	29⅞	ASA	[illegible]	3.8	35	1320	54	52⅞	52⅞	-1⅛
30¼	22⅝	AbbtL	[illegible]	2.3	17	13292	30	28⅞	29⅛	-⅝
13	8¼	Abitibi Pr	[illegible]	3.9	8	30	12⅞	12¾	12⅞	+⅛
15⅜	8¼	Acptncein			24	95	13⅝	13	13¼	+¼
38	25½	ACE Ltd	0.40	1.4	5	2262	28⅞	28¼	28⅞	+¼
12⅜	10¾	ACM Gvt In	1.08	8.8		569	12⅜	12⅛	12¼	-⅛
10⅛	9⅛	ACM GvOpp	0.80	8.1		76	10	9⅞	9⅞	
10⅝	8¾	ACM Gvt Sp	0.95	9.1		616	10½	10¼	10½	+¼
12¼	10½	ACM Gvt Se	1.04	8.9		1013	11¾	11½	11⅝	-⅛
12¾	9⅝	ACM Man	1.08	9.4		240	11½	11⅜	11½	
9⅞	8⅝	ACM Managd	0.72	7.9		270	9¼	9	9⅛	
12⅞	7¾	AcmeCly	0.44	4.2	13	48	10½	10⅜	10⅜	-⅛
11⅞	6[illegible]	[illegible]			34	21	7¾	7½	7½	-¼
27⅝	18[illegible]	[illegible]	[illegible]	1.8	13	14	24⅞	24¼	[illegible]	
18	10[illegible]	[illegible]			58	276	12⅞	12¼	[illegible]	+½
21¾	17⅝	Adams Expr	0.52	2.8	0	110	18⅝	18¼	[illegible]	
66¼	45½	Ad Micro	3.00	6.2		77	49	48⅜	[illegible]	-¾
32¾	16¼	AdvMic	3.00	15.7	8	5785	19⅜	18⅞	19⅛	-⅜
8⅛	6½	Advest Grp	0.16	2.4	11	109	6¾	6⅝	6⅝	-⅛
24¾	14¼	Aetna Inc	0.08	0.4	87	278	18⅝	18⅛	18⅜	-⅜
58½	41⅛	Aegon ADR	1.23	2.3	12	25	55	54½	54½	-⅛
66¼	43⅞	AetnaL	2.76	4.7	25	2988	58¼	57¼	58¼	+1
34	24¾	Aflac	0.40	1.5	12	1918	26⅝	26	26	-⅝
22⅛	16¾	Ahmson	0.88	4.6	8	1585	19⅜	19	19¼	
7¾	2½	Aileen Inc			3	158	2⅞	2¾	2¾	
48½	37½	AirPrC	[illegible]	1.9	27	1097	u48¾	47½	48¼	+1⅜
38½	18⅛	Airbrne Frt	[illegible]	0.9	28	1526	35⅞	34½	[illegible]	-⅝
25½	8⅞	Airgas Inc			49	1667	u25¾	25	[illegible]	+½
16⅛	10½	Airlease	1.84	11.8	11	36	15⅝	15⅜	[illegible]	+⅛
106½	101	AlaPw8.16	8.16	7.8		3	104	104	[illegible]	

Continued on next page

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4 pm close January ■

NYSE COMPOSITE PRICES

Continued from previous page

[illegible]

NASDAQ NATIONAL MARKET

4 pm close January 19

[illegible]

AMEX COMPOSITE PRICES

4 pm close January ■

[illegible]

Price data supplied by ■

[illegible]

AMERICA

US reacts negatively to earnings reports

Wall Street

[illegible] share prices slumped in late morning trading in New York yesterday in [illegible] to a succession [illegible] disappointing earnings announcements, having risen earlier in the day to touch new highs, [illegible] *Waters* [illegible] *York.*

[illegible] of computer and drugs companies led [illegible] as leading companies in both [illegible] reported poor results, while banking stocks continued the sell-off which [illegible] followed a recent run-up in prices.

By lunchtime, the Dow [illegible] Industrial Average was down [illegible] 3,865.79, having been 14 points higher [illegible] mid morning. The S&P 500 [illegible] slipped [illegible] an early gain, trading [illegible] by lunchtime [illegible]

The bad news [illegible] computer [illegible] delivered by Intel, the chip maker, which announced figures after [illegible] had closed [illegible] Tuesday, [illegible] Digital Equipment, which reported a loss of [illegible] a share in [illegible] recent quarter and cautioned about the [illegible] for [illegible] first half [illegible] 1994. Digital's shares dropped $3½, [illegible] 32⅞, in volume of 1.7m shares, while [illegible] fell [illegible] $63⅞.

The [illegible] in technology stocks helped [illegible] depress [illegible] Nasdaq [illegible] index, which has a higher weighting towards technology companies. The index dropped by around 3¼ [illegible] by midday, down from a record high the previous day.

Drug stocks were battered after Pfizer, seen [illegible] one [illegible] the stars of the industry, reported a marked [illegible] in [illegible] in the final three months of 1993. [illegible] to 62¼ on [illegible] news, dragging down other drug stocks in the process. Among the industry leaders, Merck fell [illegible], Bristol-Myers Squibb dropped [illegible] Schering-Plough [illegible] amongst the biggest [illegible] falling $1⅞ [illegible] $64⅞.

Leading bank stocks added [illegible] general gloom. Citicorp, despite [illegible] strong earnings announcement, fell [illegible] $40½, down $1⅛. Shares in BankAmerica, [illegible] only leading [illegible] figures yesterday, fell $1⅞ to $46⅛, [illegible] US's second largest [illegible] the [illegible] the [illegible] Californian economy.

These mark-downs [illegible] a generally positive start to the day, helped by [illegible] in [illegible] government bond market. Nor did the position improve [illegible] midday, [illegible] the Fed released [illegible] "beige book" report on the [illegible]. This reported that economic activity was continuing to expand, with signs [illegible] acceleration in some [illegible]. It added that [illegible] few signs [illegible] a pick-up [illegible] inflation, underpinning [illegible] bond market's positive mood.

Canada

Toronto [illegible] continued [illegible] into record territory in heavy midday action.

The [illegible] composite gained [illegible] to 4,570.90 in turnover of [illegible] valued [illegible]

Strong pipelines, media, forestry and transportation shares propped [illegible] pre- [illegible] stocks.

The pipeline sector leapt 116.23, [illegible] per cent, [illegible] 4,290.36. TransCanada Pipe-Lines [illegible] to [illegible] 771,008 [illegible] traded.

EUROPE

Continent fuelled by rate cut optimism

Hopes for Europe-wide [illegible] cuts coloured yesterday's trading, [illegible] *Our* [illegible] *Staff.*

FRANKFURT pulled itself out of a downward path, helped by short-covering ahead of tomorrow's futures expiry and [illegible] speculation [illegible] Bundesbank might reduce [illegible] meeting today. However, [illegible] market commentators [illegible] not expect a move given [illegible] growth in M3.

The DAX index [illegible] 20.54 to 2,134.38, almost recouping all of Tuesday's decline. [illegible] the post-bourse [illegible] index was little changed, while turnover settled [illegible]

The chemical sector came [illegible] play helped by a positive note issued recently by Nomura which forecast that BASF, Hoechst, Bayer [illegible] Degussa [illegible] "due a big year" given [illegible] "restructuring measures, which have been [illegible] cuted, [illegible] that profits are highly leveraged to any improvements in volumes or prices".

Nomura added that the chemicals [illegible] outperform [illegible] DAX, [illegible] lagged by an average of 5 per cent a year. Degussa [illegible] to DM464.00, also helped by a buy [illegible] from Bank Julius Bär, BASF by [illegible] to DM294.70, [illegible] by [illegible] and Bayer by DM6.70 [illegible]

ZURICH returned [illegible] record territory, helped by the strength of the dollar against the D-mark, [illegible] out- [illegible] good figures from Basle on Tuesday [illegible] the potential for lower interest [illegible] The SMI [illegible] to [illegible]

[illegible] led [illegible] gains. [illegible] added [illegible] SFr925 on [illegible] view [illegible] the issue had [illegible] cheap relative [illegible] market.

Swissair, also viewed as a recent laggard, put [illegible] SFr860.

SMH [illegible] pick [illegible] after recent declines, adding SFr19 to SFr1,025 on renewed speculation about [illegible] Swatch [illegible] project. However, the [illegible] pany [illegible] to comment [illegible] press speculation about a potential partner.

AMSTERDAM [illegible] helped by strength in neighbouring markets, with [illegible] AEX [illegible] rising 2.17 to 427.33.

[illegible] went up [illegible] 5 [illegible] cent, gaining Fl 2.30 [illegible] Fl 46.30, in [illegible] to [illegible] that [illegible] will [illegible] stake in [illegible] ordinary share capital of Northwest Airlines through a share swap. Unexpectedly strong [illegible] seen in Philips whose shares improved Fl 1.80 or 4 per cent to Fl 46.60.

PARIS captured [illegible] mood with a day's gain [illegible] 1.2 [illegible] CAC-40, closing 27.33 higher [illegible] 2,274.67.

Turnover [illegible] steady [illegible] FFr5bn. [illegible] Gobain [illegible] against [illegible] trend, [illegible] FFr624, [illegible] preliminary [illegible] figures today. Elf Aquitaine continued firm, up FFr10 [illegible] FFr418, with reports [illegible] seeking a [illegible] in [illegible] oil [illegible]

MILAN [illegible] changed after the firm trend of the previous [illegible] sessions and the Comit index registered a [illegible] just [illegible]

Mr James Cornish of Nat- [illegible] Securities, [illegible] that with general elections [illegible] March 27, [illegible] volatility [illegible] likely [illegible] as the implications of [illegible] current deep divisions [illegible] the [illegible] right [illegible]

He recommended using [illegible] in [illegible] index [illegible] weightings with a [illegible] ending [illegible] election period with a 1.2 percentage point [illegible] weight position in Italy [illegible] 8.7 [illegible] cent in a European, ex-UK portfolio.

[illegible] were in [illegible] on hopes that they would [illegible] recovery. CIR put [illegible] L1,920 [illegible] added L39 [illegible] L4,439 in spite [illegible] eight [illegible] strike against job cuts.

MADRID sprinted to a record close with investment funds playing a central role in pushing the market higher. The general index added 4.87 or [illegible] per cent to 343.23 in volume of Pta47bn. **STOCKHOLM** resumed its rally and the Affärsvärlden index rose [illegible] to a record 1,559.5.

Volvo B bucked the trend as profits were taken after their recent strong performance and ahead of the special shareholders's meeting later in the day. The shares finished SKr8 lower at SKr657, after a day's low of SKr638.

COPENHAGEN reacted modestly to the central bank's cut in interest [illegible], the KFX index up 0.99 to 116.16 in turnover of DKr1.6bn. The bank cut key rates by 0.25 percentage points to 5.75 per cent - the tenth reduction in five months.

ATHENS lost some 2 per cent as investors took profits after the market's steady upward rise in recent sessions. The general index closed down 24.48 at 1,170.10.

[illegible] and edited by John Pitt and Michael Morgan

FT-SE Actuaries Share Indices

THE EUROPEAN SERIES

Jan 19 Hourly changes	[illegible]	[illegible]	11.[illegible]	12.[illegible]	13.00	14.00	15.00	Close
FT-SE Eurotrack 100	[illegible]	[illegible]	[illegible]	[illegible]	1489.95	[illegible]	[illegible]	[illegible]
FT-SE Eurotrack 200	1569.55	1569.87	[illegible]	[illegible]	[illegible]	[illegible]	1589.73	[illegible]

	Jan. 18	Jan. 17	Jan. 14	Jan. [illegible]	Jan. [illegible]
FT-SE [illegible] 100	1479.03	1474.05	1466.32	1458.82	[illegible]
FT-SE [illegible]	1559.36	1552.53	1543.81	1534.54	1547.81

[illegible] 1000 ([illegible]): [illegible]: 100 - 1492.11, 200 - 1574.83 [illegible] 100 - 1480.41 200 - 1568.54

ASIA PACIFIC

Hopes for economic boost help Nikkei over 19,000

Tokyo

Hopes of an imminent announcement of economic stimulus by [illegible] government supported sentiment, [illegible] afternoon buying by foreign and [illegible] investors pushed [illegible] average above the [illegible] level for the first [illegible] since November 2, *writes* [illegible] *Terazono in Tokyo.*

The 225-issue index ended [illegible] or 2.8 per cent, ahead [illegible] 19,039.40 [illegible] a day's low of [illegible] and high of 19,118.81. The Topix [illegible] all first section [illegible] per cent, [illegible] 1,541.15. In London [illegible] ISE/Nikkei [illegible] index [illegible] 7.02 to [illegible]

[illegible] Nikkei faced small-lot profit-taking during [illegible] early morning. However, an overnight [illegible] in [illegible] Nikkei [illegible] the Chicago Mercantile Exchange led the Osaka [illegible] higher, triggering arbi- [illegible] buying. The underlying cash market rebounded [illegible] active demand by foreigners and domestic institutions, [illegible] spurring covering [illegible] short positions, especially in banks.

Volume [illegible] shares, [illegible] from [illegible] overwhelmed declines by 933 to 136, with 102 issues unchanged.

The Tokyo [illegible] Exchange suspended Hanwa [illegible] reports of [illegible] president's resignation. [illegible] participants, however, [illegible] suspension had little [illegible] on the [illegible] market. Hanwa, known for [illegible] extensive financial invest- [illegible] during the [illegible] yesterday announced the resignation of Mr Shigeru Kita, [illegible] president. The TSE later declared [illegible] it would [illegible] an insider trading investigation on dealings in [illegible] shares, which have been moving erratically recently.

The expected [illegible] political reform bill through the upper [illegible] encouraged hopes of the government's announcement of an economic stimulus package, and an income [illegible] cut [illegible] has [illegible] delays [illegible] the political situation. [illegible] were higher in active trading. [illegible] Bank gained Y90 [illegible] Y2,100 and Industrial [illegible] Japan Y70 [illegible] Y2,970.

The [illegible] Nippon Telegraph and Telephone for [illegible] 15th consecutive day encouraged investors. The [illegible] climbed Y5,000 [illegible] Y844,000.

[illegible] Electric [illegible] Y24 [illegible] high of Y608, [illegible] Sony, [illegible] advanced [illegible] Y5,930.

[illegible] Osaka, [illegible] OSE [illegible] added [illegible] 20,914.02 in volume of 36.5m shares. Rohm, a semiconductor device maker, moved ahead Y110 [illegible] Y3,570 [illegible] active buying.

Roundup

Pacific Rim [illegible] moved in sharply divergent directions.

HONG [illegible] closed markedly higher amid optimism on [illegible] Hong [illegible] Telecom's share price prospects.

The Hang Seng index finished [illegible] 3.1 [illegible] cent, ahead at 11,363.77, [illegible] high [illegible] 11,400.39 [illegible] the vice-chairman of Nomura International, Mineo Murai, said Japanese investment in Hong Kong stocks was likely to rise in 1994 [illegible] back of optimism [illegible] China's economic growth. Turnover remained moderate, at HK$8.43bn against Tuesday's adjusted HK$8.79bn.

MANILA surged [illegible] on the strength of [illegible] chips, which [illegible] boosted by gains in other [illegible] markets. [illegible] posite index [illegible] 151.31 [illegible] 3,062.28.

PLDT, $1⅞ higher [illegible] $74⅞ overnight in New York, [illegible] 100 [illegible] 2,180 [illegible]

TAIWAN finished slightly higher after a [illegible] buying focused on the heavily weighted [illegible] The weighted index, [illegible] opened easier and hit a low [illegible] 5,796, closed [illegible] 5,910.33.

Turnover, however, fell to T$70.94bn from Tuesday's T$98.83bn as many buyers remained cautious, unsure whether the market's down- [illegible] had ended.

AUSTRALIA overcame early falls [illegible] close [illegible] post-1987 crash high [illegible] leading stocks. The advance was attributed to a shortage of scrip in a number of [illegible] stronger [illegible] markets.

The All Ordinaries index, [illegible] 3.3 points [illegible] the morning, [illegible] 16.1 up [illegible] 2,248.2.

SEOUL continued [illegible] rise on [illegible] back of healthy demand for blue chips, which have [illegible] ered nearly [illegible] per cent of the loss which followed government market-cooling steps last Friday. The composite stock index put on 14.10 [illegible] 867.16, but low-priced shares continued [illegible] on [illegible] of [illegible] ing liquidity.

SINGAPORE was nudged higher by selective institutional buying, but [illegible] timent [illegible] cautious [illegible] recent declines. The Straits Times Industrial index [illegible] 22.89, or 1 [illegible] cent, [illegible] 2,303.30.

[illegible] in moderate trading as local investors focused on large-capitalisation stocks. The market index gained 3.98 [illegible]

BOMBAY steadied in late trading after a 3.2 per [illegible] fall during the [illegible] session as local investors and financial institutions continued selling and [illegible] cut back on buying. The BSE [illegible] index [illegible] 125.11 [illegible] 3,825.91.

KUALA LUMPUR fell 2.6 [illegible] in thin [illegible] investors remained wary [illegible] volatility. The composite index shed [illegible] to 1,081.78.

BANGKOK [illegible] 1.2 [illegible] in thin trading [illegible] profit-taking more than wiped out early gains, with local funds [illegible] adopt new strategies while foreign institutional funds continue to sell. The [illegible] index [illegible] 1,459.74 in [illegible] turnover of [illegible]

SHANGHAI A shares finished sharply lower and brokers predicted [illegible] the [illegible] would continue as [illegible] bailed out of the market. [illegible] A [illegible] dropped [illegible] to [illegible] in a market driven by [illegible] rumours than usual: it was even suggested that stock exchange president [illegible] yunn [illegible] about [illegible] his resignation.

Foreigners return to South Africa

By Matthew Curtin

Foreigners have been returning to South Afri- [illegible] equities: [illegible] sellers in 1992, last year they were net buyers of R2.8bn ($830m), [illegible] worth in December alone.

Overall, investors bought and sold [illegible] than 690m shares [illegible] the month, compared with only 211m [illegible] US-led foreign purchases [illegible] off early [illegible] 1993, [illegible] trade in blue chips accelerated in October after sanctions were lifted. That became a deluge in December, driving share prices to unheard of levels.

On January 4 the [illegible] recorded one of its largest single day gains. The overall share index jumped 179 points [illegible] breach [illegible] for [illegible] first time. The [illegible] settled [illegible] past 10 days [illegible] profit-taking and wobbly gold prices. [illegible] closed yesterday down [illegible] 4,821, golds off 24 at 2,066 [illegible] 6 down at 5,446.

Still, [illegible] yield on the industrial and [illegible] indices remain at 25-year lows of 2.1 and 2.3 per [illegible] respectively.

What [illegible] the JSE apart is the "pressure-cooker" influence of exchange control [illegible] lations, re-imposed in 1985. The [illegible] African Reserve [illegible] requires [illegible] investors to buy shares, [illegible] gilts, using [illegible] financial rand, the foreign investment unit which has traded at a 14 to 30 per cent discount to [illegible] commercial rand in the past year. They have [illegible] bonus of being [illegible] to remit dividends [illegible] the commercial rate, automatically improving [illegible] yield [illegible] a share portfolio.

For [illegible] finrand dis- [illegible] South [illegible] gilts particularly attractive for foreigners, but [illegible] equities are benefiting too. "There is effectively a [illegible] market in equities," [illegible] Richard Jesse, a director at stockbrokers Martin & Co. He says foreign investors calculate value [illegible] one level, and local inves- [illegible] another.

Exchange control also dams up [illegible] capital. Mr Rian [illegible] Roux, senior economist [illegible] insurance [illegible] Mutual - [illegible] biggest institutional investor - says it seems institutions, proscribed from investing abroad, [illegible] themselves relatively underweight in equities [illegible] bull run began. Given that the JSE is [illegible] thinly traded - turnover rose to 7 [illegible] cent last year from 4 per cent in 1992 - [illegible] prices received "a [illegible] whammy" thanks [illegible] new foreign [illegible] increased [illegible] buying.

[illegible] some [illegible] to [illegible] investors stunned by these share ratings is consensus that [illegible] economy [illegible] heading for slow but steady growth in [illegible] after pulling out of recession in the [illegible] quarter last year. Leading industrial companies emerged from the four-year [illegible] strong cash balances, excess capacity, and [illegible] in a period of relatively quiet labour relations.

[illegible] predict earnings growth of at least 15 per cent in [illegible]

However, [illegible] slippage in share prices recently shows that sentiment [illegible] edgy, with worries that US [illegible] can withdraw [illegible] for them relatively [illegible] in [illegible] JSE [illegible] quickly as they made it.

EMERGING MARKETS: IFC WEEKLY INVESTABLE PRICE INDICES

Market	No. of stocks	Dollar terms: Jan 14 [illegible]	% Change [illegible]	% Change on [illegible] '92	[illegible] currency terms: Jan 14 1994	% [illegible] week	% Change on Dec '92
Latin America							
Argentina	(11)	968.07	-1.1	+70.3	808,308.10	-1.1	+70.7
Brazil	(42)	283.95	+3.7	+127.1	149,740,957.3	+14.0	[illegible]
Chile	(20)	593.60	+1.9	+41.8	1,023.34	+1.8	+59.6
Colombia[1]	(9)	674.64	+0.5	+58.7	979.56	+1.2	+60.2
Mexico	(55)	967.55	-4.9	+43.1	1,296.24	-4.8	+42.8
Peru[2]	(7)	123.08	+3.0	+23.1	163.70	+2.7	[illegible]
Venezuela[3]	[illegible]	[illegible]	-2.5	+17.5	1,494.81	-1.2	+60.1
East Asia							
China[4]	(16)	142.86	-1.0	+42.7	156.81	-1.0	+56.8
[illegible]	(130)	117.23	-2.5	+19.4	124.98	-2.7	+22.8
Philippines	(11)	300.66	[illegible]	+125.2	394.34	[illegible]	+143.9
Taiwan, [illegible]	(76)	126.50	[illegible]	+71.5	125.76	[illegible]	+80.5
[illegible]							
India[7]	(61)	136.94	+8.5	+48.1	151.44	+8.5	+55.8
Indonesia[8]	(31)	124.48	[illegible]	+112.1	141.88	-4.5	+115.7
Malaysia	(61)	293.09	-9.0	+79.2	[illegible]	[illegible]	+87.4
Pakistan[9]	(9)	417.35	+1.9	+108.5	569.54	[illegible]	+145.7
[illegible] Lanka[10]	(5)	187.58	+5.3	+87.8	202.49	+5.3	+102.5
Thailand	(52)	434.58	-2.5	+88.8	[illegible]	-2.5	+88.9
[illegible]							
Greece	(17)	270.78	+2.6	+38.8	460.26	+3.7	+61.8
Jordan	(5)	170.80	-0.7	+48.2	248.08	-0.7	+49.7
Portugal	(16)	120.72	+4.3	+56.5	148.20	[illegible]	+87.5
Turkey[11]	(31)	273.12	+10.4	+308.4	2,006.10	+18.4	+648.0
Zimbabwe[12]	[illegible]	296.74	+10.0	[illegible]	247.21	+10.0	n.a.

Indices are calculated at [illegible] weekly changes are percentage movement from the previous Friday. Base date: Dec 1988=100 except those noted which are: (1)Feb 1 1991; (2)Dec [illegible] 1992; (3)Jan [illegible] 1990; (4)Dec [illegible] 1992; (5)Jan 3 1992; (6)Jan [illegible] 1991; (7)Nov 8 1990; (8)Sep 28 1990; [illegible] 1, 1991; (10) Dec 31 1992; (11)Aug 4 1989; (12)July 2 [illegible]

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Ltd., Goldman, Sachs & Co. and NatWest Securities Ltd. in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS Figures in parentheses show number of lines of [illegible]	TUESDAY JANUARY [illegible]: US Dollar Index	Day's Change %	[illegible]	Yen [illegible]	[illegible]	Local Currency [illegible]	Local % chg on [illegible]	[illegible] Yield	MONDAY JANUARY 17 [illegible]: US [illegible] Index	[illegible] Sterling [illegible]	[illegible]	[illegible]	Local Currency [illegible]	DOLLAR INDEX: 1993/94 High	[illegible] Low	[illegible]
Australia (69)	175.03	-0.1	[illegible]	122.53	159.13	167.07	-0.2	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	175.18	118.12	120.99
Austria (17)	190.28	[illegible]	188.42	[illegible]	[illegible]	[illegible]	0.2	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Belgium (42)	162.98	1.2	161.37	[illegible]	[illegible]	146.14	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	134.17	134.17
Canada (107)	144.15	[illegible]	142.74	[illegible]	[illegible]	137.35	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	144.15	111.41	[illegible]
Denmark (32)	267.82	1.2	265.20	[illegible]	[illegible]	246.91	1.0	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	195.56	197.86
Finland (22)	144.17	0.1	142.77	100.93	131.07	171.52	-0.2	[illegible]	[illegible]	143.14	101.13	[illegible]	[illegible]	144.17	[illegible]	71.41
France (99)	175.76	[illegible]	174.04	[illegible]	[illegible]	163.56	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Germany (59)	130.68	[illegible]	129.41	91.49	[illegible]	[illegible]	-1.0	1.76	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Hong Kong (56)	451.97	1.7	[illegible]	[illegible]	[illegible]	[illegible]	1.7	2.43	[illegible]	441.74	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Ireland (14)	204.72	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	0.3	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	142.34
[illegible]	68.37	[illegible]	67.70	[illegible]	[illegible]	68.82	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	58.86
Japan [illegible]	136.78	-0.1	[illegible]	[illegible]	124.35	95.75	[illegible]	0.85	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	101.08
[illegible] (69)	505.37	1.0	[illegible]	[illegible]	[illegible]	[illegible]	0.9	[illegible]	500.59	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	259.85
[illegible] (18)	2312.05	1.1	[illegible]	[illegible]	2101.84	[illegible]	1.0	0.65	2267.54	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Netherland (26)	202.71	1.0	[illegible]	141.91	[illegible]	181.12	0.7	[illegible]	200.62	[illegible]	[illegible]	[illegible]	[illegible]	203.69	153.15	153.40
New Zealand (14)	69.57	1.1	[illegible]	[illegible]	63.52	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	70.27	[illegible]	41.77
Norway (23)	192.65	0.9	[illegible]	[illegible]	175.14	[illegible]	0.5	1.29	[illegible]	[illegible]	[illegible]	174.18	[illegible]	192.65	[illegible]	[illegible]
Singapore (45)	338.51	[illegible]	[illegible]	[illegible]	307.78	250.97	-0.3	1.65	339.45	[illegible]	[illegible]	[illegible]	251.68	[illegible]	[illegible]	210.68
South Africa (60)	262.04	-1.6	[illegible]	[illegible]	[illegible]	249.14	-0.4	[illegible]	[illegible]	[illegible]	[illegible]	242.90	[illegible]	[illegible]	153.88	[illegible]
Spain (42)	144.85	1.6	[illegible]	101.40	[illegible]	[illegible]	0.6	[illegible]	142.59	141.71	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	128.14
Sweden (36)	218.87	0.2	216.73	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	149.69	162.59
Switzerland (49)	166.88	1.8	[illegible]	[illegible]	151.71	[illegible]	0.9	1.42	[illegible]	162.85	115.05	[illegible]	[illegible]	[illegible]	109.14	[illegible]
United Kingdom (215)	210.59	1.3	[illegible]	147.49	[illegible]	[illegible]	[illegible]	3.45	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	162.00	172.24
USA (518)	192.71	[illegible]	190.82	[illegible]	[illegible]	[illegible]	0.1	2.70	192.44	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	178.57
EUROPE (744)	171.98	0.9	[illegible]	[illegible]	156.35	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	119.65	[illegible]	[illegible]	172.87	134.16	137.57
Nordic (113)	210.58	0.5	208.52	147.42	191.44	[illegible]	0.1	1.13	[illegible]	208.29	[illegible]	[illegible]	219.75	[illegible]	142.13	[illegible]
Pacific Basin (722)	149.53	[illegible]	[illegible]	[illegible]	[illegible]	108.22	-0.2	1.13	[illegible]	[illegible]	104.92	[illegible]	[illegible]	[illegible]	106.17	106.28
Euro-Pacific (1466)	158.72	[illegible]	157.17	111.11	[illegible]	130.57	0.1	1.65	[illegible]	157.02	[illegible]	[illegible]	[illegible]	[illegible]	118.78	118.95
North America (625)	189.68	[illegible]	[illegible]	[illegible]	172.44	188.87	0.1	2.69	189.38	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	174.52
Europe Ex. UK (529)	148.31	[illegible]	[illegible]	[illegible]	[illegible]	142.17	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	150.17	115.10	116.72
Pacific Ex. Japan (253)	271.33	0.9	268.69	[illegible]	[illegible]	251.31	[illegible]	2.41	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	157.21
World Ex. US (1651)	160.91	[illegible]	[illegible]	[illegible]	[illegible]	133.93	0.1	1.86	[illegible]	[illegible]	[illegible]	146.21	[illegible]	[illegible]	[illegible]	120.14
World Ex. UK (1954)	166.69	0.2	[illegible]	116.69	151.54	[illegible]	0.0	[illegible]	[illegible]	165.32	116.60	[illegible]	[illegible]	[illegible]	135.50	135.74
World Ex. So. Af. (2109)	169.95	0.9	169.29	[illegible]	[illegible]	151.43	0.1	2.17	[illegible]	[illegible]	118.92	[illegible]	[illegible]	170.47	138.53	138.88
World Ex. Japan (1700)	189.65	[illegible]	188.00	132.91	[illegible]	186.12	[illegible]	2.65	188.96	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	159.32	160.13
The World Index (2169)	170.50	[illegible]	[illegible]	[illegible]	155.01	[illegible]	0.1	2.17	[illegible]	[illegible]	[illegible]	155.10	[illegible]	[illegible]	[illegible]	138.90

Latest prices were unavailable for this edition.

FINANCIAL TIMES

FT500

● Europe's Top 500 companies by market capitalisation

● The Top UK 500 ● The Top 100 US and Japanese companies

● Biggest rises and falls in profit ● Country analyses

January 1994

THE FT500

Roche sets the pace for the FT500

Peter Martin examines some of the unique qualities of the annual rankings and finds that they are essentially forward looking, reflecting the markets' best guess about the futu[illegible] performance of companies

There is a striking change near the top of this year's FT500: the rise of Roche, the Swiss pharmaceuticals group, from sixth to third place. The number of places risen is not so remarkable; what stands out is the sheer size of Roche's market capitalisation. At $35.7bn, it is only $5bn behind that of British Telecommunications, the UK's dominant phone company.

Investors value Roche at four times its total revenues, but they are prepared to offer BT only a multiple of two. And you could in theory buy all the shares of the Netherlands and British companies that mak[illegible] up Unilever, fifth in the FT500, for less than a single year [illegible] the consumer product group's revenues.

Behind the Roche story lie some [illegible] the FT500's unique aspects. Because the annual ranking is based on market capitalisation, it offers a way of comparing companies from different countries and different industries, regardless of the gaps between their accounting conventions. Because it takes the value that investors place upon a company, the ranking changes from year to year as profit outlooks and investment attitudes change. And because that value depends in large part on investors' expectations about companies' profits growth, the FT500 is essentially forward looking, reflecting [illegible] markets' best guess ab[illegible] the future performance of companies, their industries, and the domestic economies to which they [illegible] exposed.

Roche illustrates the [illegible]y these factors change from year to year. Pharmaceuticals companies in general have had a rough time: Glaxo Holdings, last year the third-ranked company in the FT500, has fallen to seventh place; SmithKline Beecham has dropped from 11 to [illegible]. Wellcome from [illegible] to [illegible]. These [illegible] British companies, [illegible] outside the UK, there are similar stories. Elf Sanofi, controlled by France's state-owned Elf-Aquitaine oil giant, has fallen from 112 to 152; Novo Nordisk, Denmark's world leader in synthetic insulin, from 105 [illegible] 203.

Though the profits of the industry have held [illegible] well throughout the recession – among FT500 sectors with more than a handful [illegible] companies, drugs is by far the most profitable in terms of return on capital employed – the stock markets have decided that the writing is on the wall. Downward [illegible] on prices, through formal government controls or a growing reluctance of insurers to meet ever-rising prescription bills, is seen as inevitable around the world. The past year has brought not merely the Clinton health pro[illegible]s in the US, which aim to hold down healthcare [illegible] by strengthening the mar[illegible] [illegible] of purchasers against that of providers, but also [illegible] government-induced [illegible] [illegible] the German drugs market and, in the past months, tighter controls on Italian prescriptions.

This growing doubt about future profits growth has dragged down pharmaceuticals [illegible]mpanies' share prices around the world. But Roche has remained immune. In its favour are not only a sparkling operating performance – profits are up [illegible] per cent – [illegible] also a number of other factors that run throughout this year's FT500.

First, since Roch[illegible] is a Swiss company, the relative value of its shares has benefited from last year's European devaluations. Though these have been smaller than those of [illegible] they have nonetheless raised the value of shares denominated in hard currencies, such as the D-Mark and the Swiss franc, against those in weaker varieties. Second, one factor behind the rise in Roche's market capitalisation over the past few [illegible] was a big rights issue in 1991. The willingness [illegible] continental companies to tap the international capital markets for [illegible] equity has greatly increased in recent years, a trend accelerated by Germany's shift from net exporter of capital [illegible] net importer.

Third, in order to tap [illegible] [illegible] continental companies have had [illegible] offer international investors Anglo-Saxon standards of accounting disclosure. The rush towards frankness has been most noticeable in [illegible] but last year also saw a big step forward in Germany, when Daimler-Benz (number 14 in the FT500) had to agree to report its [illegible] under US Generally Accepted Accounting Principles before the Securities and Exchange Commission would allow [illegible] to list [illegible] the New York Stock Exchange.

Swiss analysts believe that the greater transparency of accounting principles among big companies there is enhancing the value [illegible] their shares. Both [illegible] ascent to third place and [illegible] [illegible] of Union Bank [illegible] Switzerland from 25 to 15 (making it Europe's third most valuable bank) owe something to these two companies' more transparent accounts as well [illegible] to the skills [illegible] their respective researchers and financial experts.

For Europe as a whole, 1993 was a year of healthy stock market performance, with most leading markets reporting [illegible] of around a quarter, and G[illegible] shares leaping by nearly half. Because of the [illegible] cut-off date [illegible] September 30, however, the headiest months of the year, in the final quarter, do not show up in the rankings.

The outperformance of [illegible] German stock market was heavily concentrated in the closing months [illegible] the year, which partly, though not entirely, explains why the biggest German companies turned in a lacklustre performance in this year's FT500. Siemens slipped from [illegible] to 10th; Deutsche Bank from 10th to 12th. The big German chemicals companies did not sparkle: Bayer's ranking was unchanged, Hoechst and BASF both fell.

With a couple of exceptions, British companies also had an unremarkable year. The best-performing big British company was HSBC Holdings, the parent [illegible] the Hongkong and Shanghai Bank and Britain's Midland Bank, which moved from 19th [illegible] 8th, making [illegible] Europe's most valuable bank. This [illegible] the year that [illegible] became a true-blue British company, as it brought itself fully within the UK [illegible] net. But Hongkong still accounts for the lion's share of the group's profits.

BTR overtook Hanson and now, at number 16, it [illegible] rubbing shoulders with Daimler-Benz (14) a company four times larger in terms of sales and employees.

French companies have always been under-represented at the top levels of the FT500, because [illegible] many big French businesses [illegible] [illegible]ate-owned. Last year's election [illegible] a centre-right [illegible]ent [illegible]ted to large-scale privatisation will shortly make that cliché obsolete, [illegible] the [illegible] signs are evident in this year's rankings. In at number 79 [illegible] Rhône Poulen[illegible], which took a stock exchange listing for its ordinary shares in January 1993. Next year's list will count several more, including Banque Nationale de Paris.

A similar pattern can be ex[illegible]d elsewhere in Europe. Italy's coming [illegible] of privatisations [illegible] not yet made an impact [illegible] [illegible] FT500, [illegible] Spain's Argentaria, a [illegible] of [illegible]te-owned banks, obtained a stock market listing in May, entering the rankings at number 107.

Am[illegible] this year's casualties [illegible] several takeover victims. Freia Marabou, the Norwegian chocolate maker, succumbed [illegible] a bid from Philip Morris of [illegible]e US, and Germany's Hoesch steel firm surrendered its independence [illegible] Fried. Krupp (joining the FT500 at 340). Au Printemps, the Paris department store, [illegible] taken [illegible]ver by the Pinault investment group [illegible] and Ranks Hovis McDougall of th[illegible] UK succumbed [illegible] Tomkins, [illegible] conglomerate (130).

Two friendly mergers united companies already well-placed in the rankings. In publishing, the UK's Reed (63 last year) got together with the Netherlands' Elsev[illegible] (10[illegible] last year) [illegible] form [illegible] new group ranked 41st. In France, Matra's [illegible] with Hachette c[illegible]d [illegible] curious hybrid of media [illegible] and defence contractor, [illegible] [illegible].

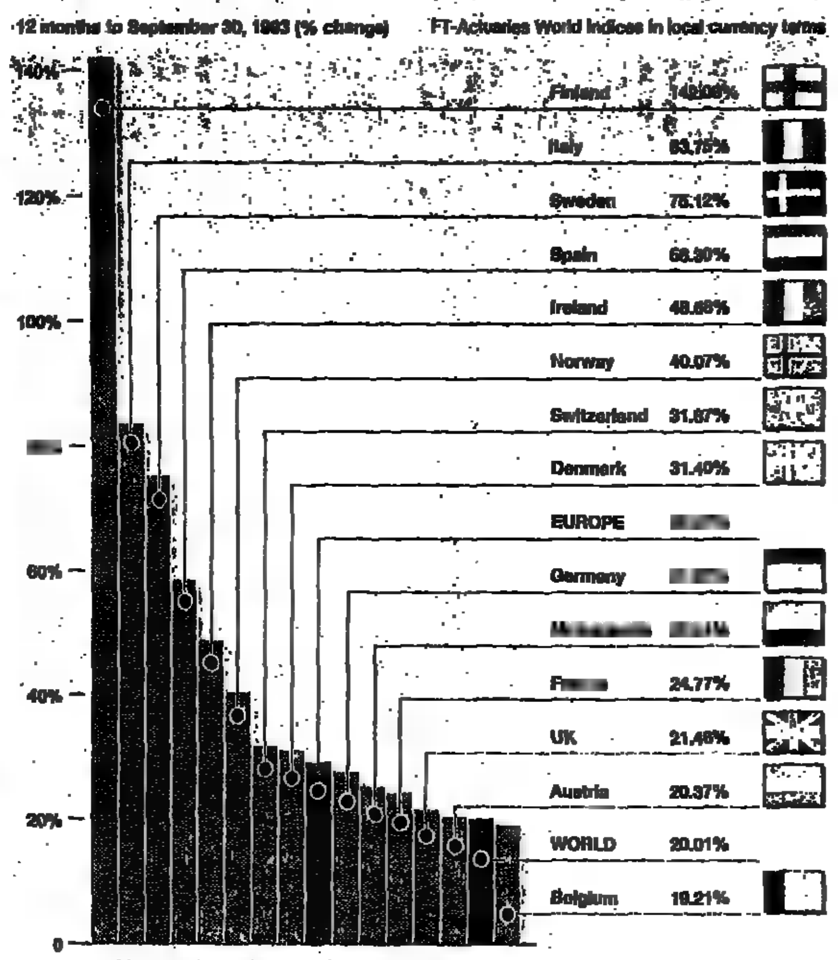
Finally, [illegible] year [illegible] marked by the welcome return to something like their [illegible]s stature of fallen angels such as Italy's Olivetti, back in the list at 363, and Sweden's big two banks. Skandinaviska Enskilda Banken returned at number 199 after its shares [illegible] [illegible] badly during Sweden's banking crisis [illegible] it disappeared from last year's list altogether. [illegible]enska Handelsbanken, which stayed in the rankings by the skin [illegible] its [illegible]h last year, recorded the biggest [illegible] of [illegible]y European company, up 242 places to 223. And British Aerospace, another near victim [illegible] year, jumped [illegible] places [illegible] [illegible].

[illegible] Exchange rates*

Currency	1993	1992	% chge
Austrian Schilling	[illegible]	10.4540	[illegible]
Belgian Franc	[illegible]	30.6000	-13.76
Danish Kroner	6.6304	5.7323	-15.67
Finnish Markka	5.7780	4.7137	-22.58
French Franc	5.6684	5.0408	-12.45
German Mark	1.6204	1.486	[illegible]
Irish Punt	0.69578	0.56627	-23.09
Italian Lira	1568.9300	1310.7300	-19.70
Japanese Yen	105.4600	0	0.00
Luxembourg Franc	34.8100	30.6000	-13.76
Netherlands Guilder	1.8198	1.6727	-8.79
Norwegian Kroner	[illegible]	6.0597	[illegible]
Portuguese Escudo	[illegible]	[illegible]	-25.66
Spanish Peseta	130.5500	105.8500	-23.33
Swedish Kronor	8.0069	[illegible]	[illegible]
Swiss Franc	1.4162	[illegible]3192	-7.35
UK Sterling	0.6556	0.6051	-8.35

*October 1992 and September 1993 monthly averages

How the [illegible] markets moved



Jointly compiled by the Financial Times Ltd., Goldman Sachs & Co., and NatWest Securities in conjunction with [illegible] Institute of Actuaries & The Faculty of Actuaries

IN THIS ISSUE

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THE FT500

UK TOP 500: market capitalisation [illegible]

[illegible]	Cos	£m	Sector	Cos	£m	Sector	Cos	£m
Commercial banks	9	57577.9	Publishers inc newspapers	11	[illegible]	Auto parts, tyre & rubber	7	4105.3
Drugs	13	45041.8	Property	25	[illegible]	Aerospace - defence & manufact	[illegible]	4057.5
Oil - international, crude producer	9	44192.0	Mining & extractive industries	6	12179.6	[illegible] & [illegible]	7	3751.5
T[illegible]hone companies	3	[illegible]	[illegible]	[illegible]	12093.8	[illegible] & hotels	5	3075.4
[illegible] & [illegible]	[illegible]	38401.7	[illegible] & leisure	9	12051.4	Business servs & computer software	9	2816.2
Electric & water utilities	[illegible]	[illegible]	Machinery (composite)	32	10987.0	Forestry products	2	2355.8
Diversified holding companies	[illegible]	[illegible]	Broadcasting media	6	[illegible]	[illegible]	7	[illegible]
Retail - grocery chains	12	[illegible]	Retail - speciality	14	6154.4	Oil - petroleum products	2	1916.4
Retail - dept store gen [illegible]	9	24693.4	Financial [illegible]	10	6062.6	[illegible] - nondurables	[illegible]	1551.3
Food processors	18	[illegible]	[illegible] & instrumentation	23	[illegible]	Printing	[illegible]	1080.5
Diversified industrial manu	17	[illegible]	Household durables & consumer goods	15	[illegible]	Advertising	[illegible]	995.3
Transport - storage & warehousing	17	17120.1	Financial services	14	5660.5	Heavy shipbuilding & engineering	[illegible]	845.8
Insurance - life, [illegible] & brokers	[illegible]	16426.4	[illegible]	[illegible]	5532.8	Communications & office equipment	2	659.6
Construction & [illegible]ng materials	22	16163.9	Health [illegible] & [illegible]smetics	5	4785.2	Investment companies	1	451.8
Natural gas utilities	1	14201.5	[illegible] metal prods & [illegible]	6	[illegible]	[illegible]	2	228.0
Insurance - [illegible] & property	8	14117.1	Apparel & [illegible]	14	4169.3			
Chemicals - diversified	13	13846.3	Chemicals	6	4128.0			

Most profitable companies

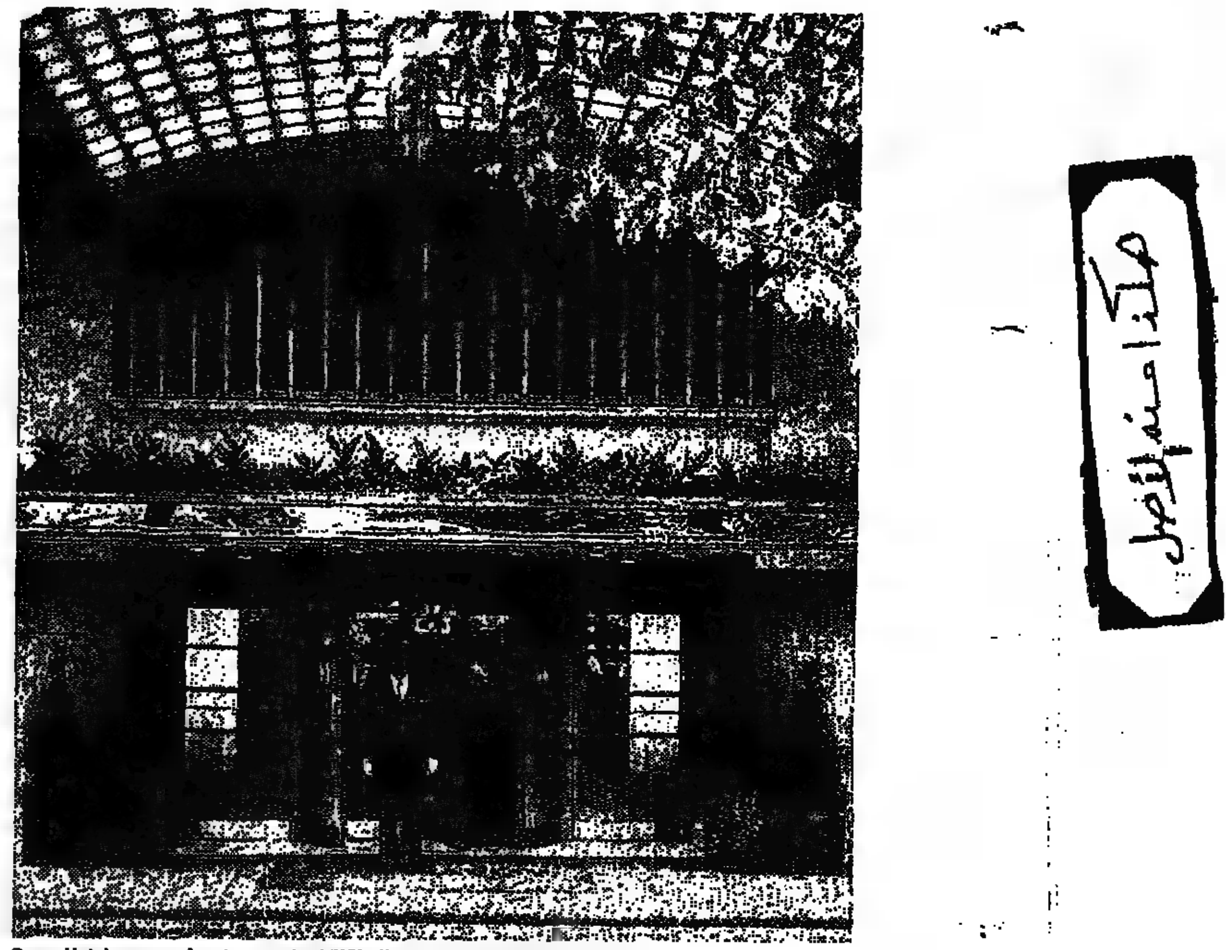
	Company	UK500 Rank	[illegible]
1	Emap	187	317.7
2	Misys	3[illegible]	[illegible]
[illegible]	[illegible] Group	[illegible]	[illegible]
4	Anglian Group	277	190.9
5	[illegible] Food Group	434	181.9
[illegible]	ACT Group	256	129.0
7	Danka [illegible] Systems	231	83.0
8	Carpetright	[illegible]	[illegible]
9	Rentokil Group	71	80.3
10	Betterware	336	78.3
11	Macro 4	395	76.5
12	Micro Focus Group	30[illegible]	[illegible]
[illegible]	Transfer Technology [illegible]p	490	69.7
14	Vodafone	29	69.3
15	Brown (David) Group	445	65.3
16	Medeva	[illegible]	65.1
17	Blick	[illegible]	64.8
18	WPP Group	[illegible]	[illegible]
19	Trinity	[illegible]	[illegible]
[illegible]	Cowie (T.)	[illegible]	55.4
[illegible]	Huntleigh Technology	[illegible]	55.3
22	Charter	211	[illegible]
23	Claremont Garments (Hdngs)	417	54.2
24	Central Independent TV	197	54.1
[illegible]	[illegible] Foods	105	51.4

Least profitable companies

	Company	UK500 Rank	ROCE
1	Westbury	465	[illegible]
[illegible]	Savoy H[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	159	0.3
4	Barclays	18	0.7
5	Trafalgar [illegible]	[illegible]	[illegible]
6	Carlton Communications	101	[illegible]
7	Cathay International Holdings	[illegible]	[illegible]
[illegible]	BET	116	3.1
9	St James's Place Capital	226	3.7
10	British [illegible]	5	3.9
11	Burton Group	[illegible]	[illegible]
12	Ashl[illegible] (Laura) Holdings	340	4.5
13	Storehouse	151	4.8
14	Monument Oil and Gas	[illegible]	4.6
15	[illegible] Group	67	4.9
16	McAlpine (Alfred)	438	5.2
17	Stakis	314	5.3
18	Warner [illegible] Holdings	437	5.4
19	Slough Estates	142	5.4
20	Lep Group	499	[illegible]
21	Bardon	312	[illegible]
22	Singer & Friedlander G[illegible]	396	5.9
23	Pilkington	[illegible]	[illegible]
24	Christies International	263	6.0
25	Billon	[illegible]	[illegible]

UK Top 500: profitability by sector

Sector	Cos	Roce	[illegible]	Cos	Roce
Advertising	2	[illegible]	Beverages [illegible]	21	17.3
Drugs	[illegible]	[illegible]	Apparel & textile producers	14	[illegible]
[illegible] services & computer [illegible]	8	33.4	Aerospace – [illegible], aircraft manufacture	[illegible]	17.3
Health care & cosmetics	5	27.1	Communications [illegible] office equipment	[illegible]	17.2
Household durables & [illegible] goods	14	25.9	Heavy shipbuilding & engineering	[illegible]	16.8
Forestry products	2	25.9	Financial institutions	[illegible]	16.2
Automobiles	2	25.6	Wholesale-nondurables	2	15.5
Publishers inc [illegible]wspapers	10	22.5	Auto parts, tyre & rubber	7	15.4
Fabricated metal products & containers	6	21.8	Financial services	11	14.9
Diversified industrial manufacturing	17	[illegible]	Construction & building materials	21	[illegible]
Food processors	15	21.1	Mining [illegible]tive industries	3	[illegible]
Printing	5	[illegible]	Paper [illegible] paper products	7	[illegible]
Chemicals-diversified	[illegible]	[illegible]	Transport, storage & warehousing	16	12.2
Electrical equipment	[illegible]	19.7	Entertainment & leisure	9	11.9
Chemicals	[illegible]	19.5	Natural [illegible] utilities	1	11.3
Machinery (Composite)	31	19.4	Diversified holding companies	10	10.8
Retail-grocery chains	12	19.3	Construction	7	9.1
Retail-speciality	14	19.1	[illegible]	[illegible]	[illegible]
Electronics & instrumentation	[illegible]	[illegible]	[illegible]	6	9.1
Retail-dept store & general merchandise	6	18.7	Restaurants & hotels	5	8.3
Telephone companies	3	18.3	Investment companies	1	7.5
Electric & water utilities	28	18.1	Property	22	7.3
Oil-petroleum products	[illegible]	18.0	Oil-internationals & crude producers	6	4.6
Commercial banks	[illegible]	17.7			



Savoy Hotel was number two on the UK500 list of least profitable companies

Buoyancy in the magazine market [illegible] Emap's [illegible]

European Top 500 – sector profitability

Sector	Cos	ROCE	Sector	Cos	ROCE
Aerospace-defence, a[illegible] manufacture	1	[illegible]	Construction & building materials	17	13.1
[illegible]gs	15	[illegible]	Heavy shipbuilding & engineering	1	[illegible]
Business services & computer [illegible]	3	25.4	Entertainment & leisure	[illegible]	12.2
Advertising	1	23.9	[illegible] - diversified	19	11.9
Health care & [illegible]	5	[illegible]	Electric & water utilities	[illegible]	11.6
Food Processors	20	[illegible]	Natural gas utilities	3	11.1
Fabricated metal products & containers	4	21.6	Paper [illegible] paper products	6	10.4
[illegible] incl [illegible]pers	9	20.0	Telephone companies	9	10.3
Retail - grocery chains	14	19.5	Oil internationals & crude producers	9	10.3
Diversified industrial manufacturing	10	18.6	Restaurants & hotels	2	9.6
Beverages & tobacco	14	1[illegible]	Electrical equipment	8	[illegible]
Retail - speciality	6	17.6	Oil – petroleum products	3	[illegible]
Apparel & textile producers	1	17.6	Auto parts, tyre and rubber	7	9.2
Chemicals	4	16.3	Diversified holding companies	20	9.0
Retail-dept store, general [illegible]	16	15.6	Construction	[illegible]	[illegible]
Commercial Banks	51	[illegible]	Forestry products	[illegible]	[illegible]
Electronics [illegible] instrumentation	6	14.9	Mining & extractive industries	[illegible]	8.3
Wholesale - nondurables	1	14.3	Machinery (composite)	[illegible]	8.2
Financial Services	8	14.3	Transport, storage & warehousing	12	8.0
Household durables & consumer goods	7	14.1	Automobiles	6	[illegible]
Communications & office equipment	4	14.0	Property	[illegible]	7.5
Financial Institutions	10	[illegible]	Investment companies	[illegible]	3.9
Broadcasting media	5	13.1			

European Top 500: market capitalisation by sector

Company	Cos	$m	Company	Cos	$m
Commercial Banks	59	312352.1	Health care & cosmetics	5	[illegible]
Ins[illegible]Multiline/Property	36	174682.3	Property	9	20762.5
Oil [illegible]ionals/Crude Producers	10	169364.8	Construction	12	20401.3
Electric & Water Utilities	45	134368.7	Broadcasti[illegible] media	[illegible]	20082.8
Chemicals -diversified	21	132169.2	Entertainment & leisure	[illegible]	18514.6
Drugs	15	117215.5	Chemicals	[illegible]	16199.2
Diversified Holding Companies	21	[illegible]	[illegible] parts, tyre and rubber	[illegible]	13259.8
[illegible] Processors	20	105971.1	Financial Services	[illegible]	11904.8
Telephone Companies	6	87150.7	Fabricated metal products	4	11351.4
Be[illegible] & [illegible]	14	76157.3	Forestry products	4	10271.1
[illegible]ical Equipment	8	62757.3	H'hold durables & [illegible] goods	7	9804.3
[illegible] - dept store/gen merchandise	17	55895.6	Oil - Petroleum Products	3	9434.6
Retail - grocery chains	14	54682.7	Paper & paper products	6	9188.6
Automobiles	6	49703.7	Electronics & instrumentation	6	[illegible]
Construction & building [illegible]	17	[illegible]	[illegible]ail -speciality	6	8225.1
Transport, Storage [illegible] Warehousing	14	41711	Business servs & computer software	4	6842.9
Diversified industrial manufacture	10	39204	Aerospace & defence	3	6185.7
Mining & extractive industries	13	37580.2	Restaurants & [illegible]	2	5626.8
Communications [illegible] Office Equipment	[illegible]	35013.6	Advertising	1	[illegible]
Machinery (com[illegible]site)	[illegible]	30619.9	Investment Companies	[illegible]	3689.3
[illegible] incl [illegible]	10	29346.2	Apparel & textile producers	1	2510.1
Financial Institutions	10	28304.8	Wholesale - [illegible]	1	2006.2
[illegible] [illegible] Utilities	3	25467.3	Heavy Shipbuilding [illegible] Engineering	1	1521.9
Insurance/Life/Agents & [illegible]	6	22238.5			

Peter Smith (right) who [illegible] Brandon Gough [illegible] as chairman of Coopers [illegible] Lybrand [illegible]

■ TOP ACCOUNTANTS

Price war rages as clients cut costs

As Europe struggles during an economic downturn, times [illegible] becoming increasingly tough for the auditors. The scope for spin-off services such as consulting has narrowed, says Andrew Jack

Behind nearly every large European [illegible] a very substantial accountancy firm providing auditing and other [illegible] advisory services.

[illegible] largest firms [illegible] client work across the continent, but are coming under increasing competitive pressure from each other, *from their rivals and* from regulators.

In [illegible] UK, [illegible] historical home [illegible] most of the firms and of accountancy as a modern profession, there is an enormous [illegible] in [illegible] income between the [illegible] and the rest.

Coopers & Lybrand [illegible] billed £553m in [illegible] UK last year. In descending order, the five other largest firms [illegible] KPMG Peat Marwick, Ernst [illegible] Young, Arthur Ander[illegible], Price Waterhouse and Touche Ross. Even Touche, [illegible] billed more than three times the amount of [illegible] next largest rival.

Coopers also emerged [illegible] the leading firm of auditors [illegible] the top 100 companies in the UK500 with 25 clients, including [illegible] *jointly* held with second-placed rival, [illegible] Waterhouse (24). Third place [illegible] to KPMG [illegible] Marwick, with [illegible] of the top companies, *and fourth to Ernst* [illegible] *Young*.

The UK firms [illegible] not operate in isolation, however. They [illegible] dominate in all [illegible] other European countries. *According* [illegible] a study paid for by [illegible] European Commission and published in April 1992, the [illegible] firms have a stranglehold [illegible] the rest of the continent.

The study, produced by National Economic Research Associates (Nera), [illegible] sultancy firm, showed that they audit nearly 100 per [illegible] the top [illegible] compa[illegible] in Belgium, Italy and [illegible] Netherlands, and more than [illegible] per cent in Germany and Portugal, [illegible] instance.

But as much [illegible] Europe struggles during an era [illegible] economic downturn, times are *becoming increasingly* tough [illegible] accountants. The [illegible] spin-off ser[illegible] such as consulting – never as developed elsewhere as in the UK – has narrowed fast.

More importantly, [illegible] is a fierce price war now raging, as increasingly aggressive marketing and shrewder clients play the firms [illegible] against each [illegible] keep audit [illegible] to [illegible] minimum.

Concerns linger that "lowballing" [illegible] "predatory pricing" threatens to damage the quality [illegible] auditing, although the Insti[illegible] Accountants in England and Wales recently concluded no evidence for [illegible] deterioration existed.

However, [illegible] privately admit [illegible] it is clearly more tempting [illegible] them to win new work at a discount than [illegible] to sack staff and [illegible] partner numbers.

[illegible] coming from legal action. For example, in Italy, [illegible] by [illegible] corruption [illegible] and [illegible] business sector, [illegible] cry [illegible] "where [illegible] auditors?" is becoming common.

Price Waterhouse [illegible] *most* prominent firm to [illegible] threatened with legal action following [illegible] collapse of Ferruzzi, which it audited.

Elsewhere, Sweden [illegible] been [illegible] eral countries to begin threatening litigation following the crisis in the [illegible] vian financial sector.

A [illegible] taken by [illegible] firms [illegible] been to [illegible] more closely integrated international structures. Arthur [illegible] always had the advantage [illegible] being a single firm [illegible].

[illegible] firms, notably [illegible] Waterhouse, have attempted recently [illegible] develop a single European business which shares [illegible] and establish a common methodology [illegible] its work.

But, as [illegible] accountant puts it, "it's one thing to [illegible] profits, but people don't [illegible] to share [illegible] costs". This [illegible] no [illegible] more relevant [illegible] writs arrive alleging negligent auditing.

The regulatory position in different [illegible] across Europe varies widely. Some, [illegible] as Italy and Spain, [illegible] compulsory rotation of auditors in an [illegible] prevent [illegible] becoming [illegible] close [illegible] jeopardising independence.

This [illegible] the automatic [illegible] petition, but [illegible] period of audit appointment [illegible] be *longer lasting* [illegible] such [illegible] the UK, [illegible] annual audit reappointment approved by [illegible] opens up the frequent prospect [illegible] tendering [illegible] firms.

A number of countries still limit the [illegible] work [illegible] firm [illegible] out, or attempt to [illegible] firms entering the domestic market. All of these issues affect competition and [illegible] structure of [illegible] profession, although [illegible] Nera study showed how effectively the [illegible] circumvented restrictions.

For example, in France [illegible] exchange regulator recently [illegible] that its requirement [illegible] public companies to be *scrutinised by two auditors* [illegible] interpreted as two separate audit [illegible] – as [illegible] become widespread – [illegible] from the [illegible] firm.

At [illegible] European Union-level, a new [illegible] procurement [illegible] require utilities and [illegible] public [illegible] organisations to put their [illegible] out [illegible] tender. However, the work plan for the [illegible] two [illegible] shows [illegible] hard-line attempts [illegible] change [illegible] regulation of [illegible] auditing profession, other than an emphasis on clarifying audi[illegible] liability.

[illegible] of [illegible] powerful pressures during the coming months will not [illegible] gov[illegible] rather harshly commercial.

Accountants [illegible] Top 100 UK Companies

■ Coopers & Lybrand
British Telecommunications
[illegible] Holdings
BAT Industries
Marks [illegible] Spencer
Smithkline Beecham*
Unilever
The RTZ Corporation
The Great Universal Stores
Abbey National
Kingfisher
Rothmans International
PowerGen
Commercial Union
Scottish Power
Sun Alliance Group
The BOC Group
[illegible]
Inchcape
The Royal Bank of Scotland Group
British [illegible]
[illegible] *Water*
Royal Insurance Holdings
Arjo Wiggins Appleton
Schroders
RMC Group
**Joint audit*

■ Price Waterhouse
[illegible]
Guinness
Barclays
Lloyds Bank
[illegible] Holdings
Prudential Corporation
Reed International
Tesco
Land Securities
Redland
Legal & General Group
Reckitt [illegible] Colman
[illegible] Group
Courtaulds
Forte
Severn Trent
North West Water Group
Guardian Royal Exchange
Wolseley
[illegible]
TI Group
Anglian Water
Eastern Electricity
**Joint audit*

■ KPMG [illegible] Marwick
HSBC Holdings
[illegible] and Wireless
[illegible] Metropolitan
[illegible] Bank
Zeneca Group
Imperial Chemical Industries
Allied-Lyons
[illegible] Power
The [illegible] Company
[illegible] Group
[illegible] Accident
Peninsular and Oriental [illegible]
Navigation [illegible]
The [illegible] Organisation
[illegible]
Enterprise Oil
[illegible] Foods Group
[illegible] Group
Siebe
MEPC
Rolls-Royce
British Aerospace

■ Ernst [illegible] Young
The Shell Transport and *Trading Company*
The British Petroleum Company
BTR
Hanson
Thorn EMI
Bass
[illegible] *Airways*
Lloyds Abbey [illegible]
Whitbread
Bowater
Ladbroke Group
Blue Circle [illegible]
Scottish [illegible] Newcastle
[illegible] *of Scotland*
[illegible] (Holdings)
S G Warburg Group
Asda Group
[illegible] & Nephew
[illegible]

■ Touche [illegible]
The [illegible] Electric Company
Wellcome
[illegible] Group
BAA
Coats Viyella

■ Arthur Andersen
Cadbury Schweppes
Argyll Group
Tomkins
BICC

■ BDO Binder Hamlyn
[illegible]

■ [illegible] Kerr [illegible]
[illegible] Holdings

Profile: ROYAL DUTCH/SHELL

Caution the guideline for Europe's No 1

Shell's reputation for being financially conservative may just be the quality needed to help it retain its premier position in a period of uncertainty over the direction of oil prices, writes Robert Corzine

The scallop-shaped logo of the Royal Dutch/Shell Group [redacted] companies is one of the [redacted] pervasive in the commercial world. [redacted] symbol of an oil [redacted] which on the basis of size [redacted] challenged only by [redacted] of the US, it is recognisable in virtually every country.

The logo itself has undergone various stylistic changes since [redacted] was formed out of [redacted] 1907 alliance between Royal Dutch Petroleum Company and [redacted] Shell Transport and Trading Company of [redacted] UK. But the original structure of the [redacted] has proved remarkably resilient.

The 1907 agreement called for the retention of separate identities, while the [redacted] itself [redacted] based on [redacted] 60:40 split. Today, Royal Dutch remains a parent [redacted] pany, deriving [redacted] income from [redacted] interest in [redacted] group of operating companies. Shell Transport and Trading holds [redacted] similar position in the UK, [redacted] on its 40 per cent ownership of the group.

The joint group managing directors of the parent firms, led by chairman of the committee of managing directors, C.A.J. Herkstroter, still [redacted] Anglo-Dutch roots of the company. This is in contrast with the intensely "national" character of many of the individual operating units. It is an arrangement which may [redacted] to be [redacted] recipe for conflict, but which has clearly worked well over [redacted].

The glue which binds Shell together [redacted] been the careful cultivation [redacted] a multinational layer of senior management whose outlook [redacted] international and who share a [redacted] corporate culture. "We find [redacted] good [redacted] executives to [redacted] to countries [redacted] they [redacted] not be [redacted] to speak [redacted] and [redacted] problems," according to [redacted] senior [redacted].

Such structures and practices [redacted] helped Shell [redacted] weather nearly [redacted] bination of economic, commercial [redacted] political [redacted] in its history. [redacted] it has [redacted] it with bureaucratic management and an internal focus which [redacted] not necessarily reflect [redacted] investors.

But [redacted] reputation [redacted] being financially [redacted] and cautious (gearing in [redacted] was just 7 per cent) [redacted] just [redacted] the quali[redacted] help [redacted] to retain its premier position in corporate Europe in [redacted] period of great uncertainty [redacted] the direction of oil prices.

[redacted] the [redacted] for [redacted] an integrated oil [redacted] pany can survive and perhaps even thrive [redacted] a weak price [redacted]

A recent study by [redacted] in Edinburgh predicted [redacted] earnings, for example, will [redacted] be relatively impervious [redacted] persistently low prices [redacted] the [redacted] three years. This [redacted] of expected [redacted] downstream operations in refining [redacted] marketing from low [redacted] prices.

[redacted] offsetting [redacted] be [redacted] possibility [redacted] low [redacted] prices would help to fuel an overall economic recovery. In that case there might be [redacted] stronger [redacted] expected upturn in chemicals, a sector [redacted]

[redacted] on next [redacted]

■ Additions to the European Top 500

Company	Ctry	This year	Sec	Company	Ctry	This [redacted]	Sec	Company	Ctry	This [redacted]	Sec
Reed [redacted]	[redacted]	41	[redacted]	KNP BT	Net	[redacted]		Mirror Group Newspapers	UK	[redacted]	472
Zeneca	[redacted]	[redacted]	433	Chubb Security	[redacted]	[redacted]	[redacted]	Metsa-Serla	Fin	471	[redacted]
Rhone-Poulenc	Fra	79	622	Skandia Forsakring	[redacted]	[redacted]	[redacted]	Sagem	Fra	474	521
Argentaria	Spa	107	112	Trygg-Hansa SPP Holding	[redacted]	[redacted]	151	[redacted] Portland [redacted]	UK	475	161
Schneider [redacted]	Fra	166	171	Parmalat	Ita	382	451	Hambros	[redacted]	476	121
[redacted] Banken	[redacted]	[redacted]	112	Enso-Gutzeit	Fin	387	652	Baltica Forsikring	Den	477	151
Roussel-Uclaf	Fra	234	[redacted]	Hammerson Property	UK	[redacted]	161	Outokumpu	Fin	[redacted]	634
Matra Hachette	Fra	235	171	Schindler	Swi	[redacted]	[redacted]	Baer Holdings	Swi	483	112
Fondiaria	[redacted]	[redacted]	161	Mapfre (Corp)	Spa	[redacted]	151	Oldenburgische Landesbank	Ger	[redacted]	112
Bols Wessanen	[redacted]	298	[redacted]	Unitas Bank	Fin	440	112	Lapeyre	Fra	488	611
Nokia	Fin	301	533	Next	UK	445	491	Bunzl	UK	489	652
Pinault-Printemps	Fra	303	491	[redacted] & [redacted] Group	UK	[redacted]	122	Kleinwort [redacted] Group	UK	492	121
British Land	UK	313	161	Rinascente (La)	Ita	458	491	Aare-Tessin	[redacted]	493	221
Trafalgar [redacted]	UK	[redacted]	171	FKI	UK	459	583	Wimpey (George)	UK	494	613
Thuega	Ger	322	221	Italcable	Ita	460	223	Dragados [redacted] Construcciones	Spa	496	613
Krupp, Fried [redacted] H-K	Ger	340	633	SAP	[redacted]	[redacted]	551	Farnell Electronics	UK	[redacted]	551
Slough Estates	UK	362	161	Sovac	Fra	[redacted]	122	Assitalia	Ita	[redacted]	151
Olivetti	Ita	363	[redacted]	BBA Group	UK	[redacted]	571	Kansallis-Osake-Pankki	Fin	[redacted]	112

■ Departures from the European Top 500

Company	Ctry	Last [redacted]	[redacted]	Company	Ctry	Last year	Sec	Company	Ctry	Last year	Sec
Reed International	UK	[redacted]	[redacted]	Helvetia [redacted] Versicherung	Swi	[redacted]	152	Sofina	Bel	475	221
Elsevier	Net	[redacted]	[redacted]	[redacted] Life	Ire	[redacted]	151	Schmalbach-Lubeca	Ger	[redacted]	[redacted]
Schneider (Groupe)	Fra	[redacted]	541	Flughafen [redacted]	Aus	[redacted]	[redacted]	Industrivarden	[redacted]	477	171
Pinault	Fra	[redacted]	171	Finanziaria Agroindustriale	Ita	[redacted]	[redacted]	Securicor Group	UK	[redacted]	[redacted]
Freia Marabou	Nor	317	451	Banca Popolare [redacted] Bergamo C.V.	Ita	[redacted]	112	[redacted] Lariano	[redacted]	[redacted]	112
Lauritzen	Den	[redacted]	[redacted]	British Vita	UK	[redacted]	[redacted]	[redacted]	Net	[redacted]	421
Clarins	Fra	376	[redacted]	Aguas de [redacted]	Spa	[redacted]	[redacted]	Iceland Frozen Foods Hldgs	[redacted]	[redacted]	[redacted]
Hoesch	Ger	[redacted]	[redacted]	Matra	Fra	[redacted]	521	First Leisure Corporation	UK	[redacted]	[redacted]
[redacted]	Bel	[redacted]	622	Pentland Group	UK	[redacted]	171	Buehrmann-Tetterode	Net	[redacted]	[redacted]
KNP	Net	[redacted]	652	Elf Gabon	Fra	[redacted]	[redacted]	[redacted] Group	[redacted]	[redacted]	[redacted]
Ferruzzi Finanziaria	Ita	389	171	Spring Ram Corporation	UK	[redacted]	[redacted]	[redacted]	Ger	[redacted]	[redacted]
Printemps (Au)	Fra	[redacted]	491	Primagaz	Fra	[redacted]	[redacted]	CEP Communications	Fra	[redacted]	[redacted]
Wessanen	Net	399	451	Trelleborg	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	652
Groupe Andre	Fra	[redacted]	495	Courtaulds Textiles	UK	[redacted]	412	[redacted] Volksbank	Swi	[redacted]	112
Charter	UK	[redacted]	611	Blenheim Group	UK	[redacted]	[redacted]	EVN	Aus	[redacted]	221
[redacted] Hovis McDougall	UK	410	451	Goldschmidt (Thomas)	Ger	471	[redacted]	Hapag Lloyd	Ger	[redacted]	303
Sodexho	Fra	416	[redacted]	Club [redacted]	Fra	[redacted]	[redacted]	[redacted]	Net	[redacted]	[redacted]
Moulinex	Fra	[redacted]	406	Nutricia	Net	[redacted]	451	Banco Totta [redacted] Açores	Por	[redacted]	112

■ European Top 500 - Most profitable companies

Rank	Company	Cntry	Sr	FT500 rank	ROCE
1	Emap	UK	[redacted]	491	317.7
[redacted]	Wolters Kluwer	Net	[redacted]	167	[redacted]
[redacted]	Rentokil Group	UK	622	161	[redacted]
[redacted]	Vodafone	UK	223	74	[redacted]
5	Northern [redacted]	UK	451	258	51.4
[redacted]	Mercury [redacted] Management	UK	122	298	[redacted]
7	Astra	Swe	433	32	[redacted]
8	[redacted] Holdings	[redacted]	474	54	[redacted]
9	Smithkline Beecham	UK	433	23	[redacted]
10	Kwik [redacted]	UK	493	352	44.4
11	[redacted] (La)	Fra	491	279	[redacted]
[redacted]	Farnell Electronics	UK	551	498	42.7
13	TF1	Fra	474	295	[redacted]
14	Banco Popular Espanol	Spa	112	160	41.0
15	Glaxo Holdings	UK	433	[redacted]	40.1
16	Audiofina	Lux	474	416	40.0
17	MAI	UK	122	439	[redacted]
18	Canal +	Fra	474	129	39.1
19	M & G Group	UK	122	448	38.5
20	Lloyds [redacted]	UK	112	44	37.7
21	Wellcome	UK	433	69	[redacted]
22	Banco [redacted]	Spa	112	101	[redacted]
23	HSBC Holdings	UK	112	[redacted]	[redacted]
[redacted]	Williams Holdings	UK	591	233	35.9
[redacted]	Electrocomponents	UK	551	380	35.8

* For explanation of ROCE calculations see Barometer of Business Page [redacted]

■ European Top 500 - least profitable companies*

Rank	Company	Cntry	[redacted]	FT500 [redacted]	ROCE
1	[redacted]	UK	303	403	[redacted]
[redacted]	[redacted]	Ger	491	329	[redacted]
3	Barclays	[redacted]	112	[redacted]	0.7
[redacted]	[redacted]	Ger	301	207	1.0
5	OeMV	Aus	212	337	1.1
6	Volvo	Swe	401	139	1.9
7	[redacted]	UK	474	247	[redacted]
8	Trafalgar [redacted]	UK	171	[redacted]	[redacted]
9	[redacted] (Compagnie [redacted])	Fra	112	62	[redacted]
10	Bergesen d.y. Group	Nor	303	458	2.7
11	[redacted]	Swe	[redacted]	254	[redacted]
12	BET	UK	171	291	3.1
13	[redacted] Amperwerke	Ger	221	195	3.1
14	Mannesmann	Ger	566	[redacted]	3.1
15	Outokumpu	Fin	634	482	[redacted]
16	[redacted] und [redacted]	Ger	221	369	[redacted]
17	[redacted] und [redacted]	Ger	112	497	3.5
18	British Petroleum	UK	[redacted]	[redacted]	[redacted]
19	Cap Gemini Sogeti	Fra	[redacted]	351	4.0
20	Remy Cointreau	Fra	[redacted]	470	4.0
21	[redacted]	Spa	[redacted]	171	4.1
[redacted]	DSM	Net	622	395	4.1
[redacted]	Burton Group	UK	491	344	[redacted]
24	[redacted]	Swe	651	221	4.3
[redacted]	Philips	Net	541	86	4.4

* For explanation of ROCE calculations see Barometer of Business Page [redacted]

Happy times for collective funds

nial, nearly 60 per cent larger than its [redacted] rival.

F&C has not only kept [redacted] reputation for [redacted] performance [redacted] first to [redacted] a savings scheme back in 1984, one of the measures that has helped towards the revival of private investor interest in [redacted] sector. The individual monthly sums invested via savings schemes may be small but over the years they form a constant drip-feed of [redacted] which [redacted] helped [redacted] the [redacted].

Like some [redacted] other international generalists, [redacted] to gain significantly [redacted] the [redacted] boost in private investor [redacted] trusts – [redacted] personal equity plan. Pep [redacted] only permit a trust to qualify for the full £6,000 [redacted] allowance [redacted] more [redacted] portfolio is in EU equities. [redacted] not want its flagship trust to be hamstrung by [redacted] requirement, [redacted] investors can only put £1,500 in Pep form into [redacted] largest investment trust. (Emerg[redacted] specialists [redacted] qualify for the full [redacted] Pep.)

[redacted] other [redacted] within [redacted] which [redacted] qualify [redacted] the Pep rules. [redacted] some of [redacted] the Pep regime [redacted] been [redacted] UK [redacted] chip and UK income trusts, such [redacted] TR City of London, [redacted] of which [redacted] values, [redacted] premiums.

The very recent [redacted] investment trusts inevitably [redacted] dangers for [redacted] The sector might [redacted] pudding by making [redacted] issues. A [redacted] downturn in the stock market might [redacted] recent recruits among private investors to panic – and [redacted] their holdings. Either factor would [redacted] a widening discount.

[redacted] the other hand, [redacted] sector [redacted] cause [redacted] be optimistic. The current present low [redacted] interest rate regime [redacted] survive for several more years, and Peps appear safe [redacted] a Conservative government [redacted] in power. If it does, we [redacted] witnessing [redacted] historic shift of savers' incomes [redacted] from deposits [redacted] into equity [redacted]. There [redacted] be [redacted] more [redacted] of investment trust expansion ahead.

Investment trust managers have pointed to the high rates of economic growth being achieved by developing countries such as China

■ INVESTMENT TRUSTS

Happy times for collective funds

The return of the private investor has created a new source of demand for trust shares and has enabled the discount to narrow to a 20-year low, says **Philip Coggan**

These [redacted] happy times for investment trusts, the quoted collective funds which provide [redacted] easy [redacted] for small investors to gain access to the stock market.

Falling interest [redacted] persuading savers to find ways [redacted] investing in equities, now that the yields on shares are closer to the returns available from cash. Not only does that help share prices (and thus the [redacted] of trusts), it also reduces the trust sector's long-term headache – the discount.

The price [redacted] shares in an investment trust [redacted] by supply and demand, and [redacted] not necessarily correspond with the [redacted] value of the trust. [redacted] much [redacted] the past 20 years, the shareholder registers of many trusts have been dominated by institutional investors – many of whom have, for historic reasons, wanted [redacted] sell. Since supply of shares exceeded demand, trust shares tended [redacted] trade at a discount to [redacted] asset value (e.g. the share price might be 90p, while [redacted] per share are 100p).

But the return of the private investor [redacted] created a new source of demand [redacted] trust shares and [redacted] enabled the discount [redacted] narrow to a 20-year low. Existing [redacted] in trusts have therefore made a double gain.

Over the five [redacted] January 1994, the [redacted] *Investment Trust* [redacted] *rose* [redacted] cent, while the All-Share climbed only 116 [redacted] cent [redacted] the same period.

This increased demand has also enabled the [redacted] to expand by creating new trusts. The [redacted] had a record year for new issues in 1993, raising [redacted].5bn, or £2.1bn if [redacted] new Lloyd's capital trusts are excluded.

Not all [redacted] this was due [redacted] private investor enthusiasm. Institutional investors [redacted] still willing to buy investment trusts if the area being invested in is [redacted] where trust managers [redacted] value.

This particularly applies to emerging markets, where not only were [redacted] launched in [redacted] but existing [redacted] as Templeton (23rd in the rankings) [redacted] raise new [redacted].

Emerging markets [redacted] much the fashionable investment story [redacted]. Managers could point to the high [redacted] economic growth being [redacted] by developing countries such [redacted] China, the financial liberalisation measures being introduced by their governments and [redacted] under-development of their [redacted] markets.

Furthermore such [redacted] individually so illiquid and [redacted] was [redacted] investment vehicle had to [redacted] a broadly-spread [redacted] fund.

[redacted] great has been the demand [redacted] emerging [redacted] many [redacted] traded at a premium [redacted] their [redacted] values, indicating that [redacted] exceeding supply and that [redacted] is still [redacted] emerging [redacted] new [redacted] in 1994.

The [redacted] investment trust [redacted] occurred [redacted] the year, too [redacted] to appear [redacted] figures. [redacted] Mercury World Mining Trust, helped by [redacted] reputation of [redacted] Julian Baring and by [redacted] sudden revival [redacted] in gold, would leap straight [redacted] top 10 [redacted] by [redacted].

For [redacted] moment, however, [redacted] is [redacted] by [redacted] international [redacted] in particular by Foreign [redacted] Colo-

[redacted]

Michael Hart, joint manager [redacted] Foreign [redacted] Investment Trust, [redacted] is nearly 50 per [redacted] than its nearest rival

■ **Top 100 investment trusts by market capitalisation**

	Company	Mkt Cap £m	Share holders funds [redacted]	Discount/ premium [redacted]
1	Foreign & [redacted] Trust	1301.0	1397.0	[redacted]
2	[redacted]	[redacted]	971.6	[redacted]
3	Edinburgh Investment	[redacted]	[redacted]	[redacted]
4	Witan	[redacted].9	905.8	12.5
5	Scottish Mortgage	[redacted]	876.7	13.6
6	British Investment	599.0	683.6	12.4
7	Govett [redacted]	559.8	[redacted]	8.3
8	[redacted] Investment	551.0	680.3	14.7
9	Scottish Eastern	491.0	571.7	14.2
10	*Electra*	[redacted].1	*579.3*	*18.1*
11	Fleming Far [redacted]	[redacted]	544.4	11.9
12	Anglo & Overseas	454.0	529.5	[redacted]
13	British Assets	405.1	419.1	[redacted]
14	Fleming Mercantile	401.7	468.3	14.1
15	Murray International	393.6	[redacted]	4.4
16	Fleming Overseas	[redacted].9	438.8	13.8
17	Scottish National - unit	[redacted]	348.7	[redacted] *
18	Monks	[redacted]	[redacted]	10.1
19	Investors Capital	345.1	342.6	0.2 *
20	Scottish American	[redacted]	389.3	11.9
21	T R Smaller Companies	331.5	348.1	5.0
22	Foreign [redacted] Pacific	310.1	383.7	7.4
23	Templeton Emerging Markets	299.6	314.9	8.4 *
24	[redacted] & [redacted] Income - [redacted]	299.5	290.2	3.2 *
25	Second Alliance	293.8	328.7	10.3
26	Murray Income	284.9	282.0	0.2 *
27	T R City of London	284.0	272.8	4.1 *
28	Bankers	[redacted]	270.1	[redacted] *
29	Securities Trust of Scotland	280.3	285.6	1.6
30	Fleming Japanese	275.5	245.2	[redacted]
31	Merchants	[redacted]	271.9	0.2 *
32	R I T Capital Plns	268.8	440.5	25.0
33	Govett [redacted]ic	[redacted]	296.2	[redacted]
34	Throgmorton Trust	[redacted]	245.3	[redacted]
35	T R Technology - unit	228.6	259.6	10.4
36	Dunedin Worldwide	[redacted]	269.6	16.4
37	E F M Dragon	216.0	[redacted]	4.3
38	American	215.1	241.8	[redacted]
39	[redacted] & [redacted] Trust - unit	[redacted]	197.1	4.9 *
40	Murray Smaller Markets	207.1	222.8	7.7
41	*Dunedin* [redacted] *Growth*	205.7	210.8	[redacted]
42	Fleming [redacted] Euro	199.4	208.4	[redacted]
43	Temple Bar	191.9	199.9	[redacted]
44	Fleming American	[redacted]	256.6	6.6
45	M & G Recovery - unit	186.4	169.3	10.1 *
46	Kleinwort Overseas	183.8	21[redacted]	15.9
47	English [redacted] Scottish	176.3	203.2	9.4
[redacted]	Kleinwort Charter	163.2	182.8	[redacted]
[redacted]	Electric and General	[redacted]	[redacted]	11.2
50	Baring Tribune	157.9	[redacted]	15.0
51	G T Japan	151.8	166.7	[redacted]
52	Law Debenture Corp	151.5	[redacted]	10.7 *
53	Foreign & [redacted]	145.8	145.0	3.2 *
54	Drayton Far Eastern	[redacted]	164.7	13.7
55	Fleming Emerging [redacted]	141.5	146.1	2.5 *
56	[redacted] - [redacted]	[redacted]	142.2	0.7
[redacted]	Brunner	137.3	[redacted]	[redacted]
[redacted]	Foreign & [redacted] Eurotrust	124.2	[redacted]	1.1
[redacted]	[redacted]	123.8	151.7	16.0
[redacted]	M & G Dual - [redacted]	[redacted]	128.7	[redacted]
[redacted]	River Plate & [redacted] - unit	114.8	[redacted]	5.6 *
[redacted]	Fleming Int High [redacted] - unit	113.5	113.4	0.0
[redacted]	[redacted] Fund - unit	113.2	[redacted].1	8.2 *
[redacted]	Fleming Inc [redacted] Cap - unit	113.2	111.0	1.9 *
[redacted]	[redacted] - unit	113.1	114.3	1.8
66	T R [redacted]	108.9	107.3	2.4 *
67	Fleming [redacted]	[redacted]	109.2	[redacted]
68	British Empire [redacted]	105.7	124.0	11.8
69	Foreign [redacted] Emerging [redacted]	103.5	100.1	6.1 *
70	[redacted]	101.4	116.4	[redacted]
71	[redacted]	[redacted]	100.3	6.6 *
72	Thornton [redacted] Em [redacted]	[redacted]	112.5	15.4
73	[redacted]	[redacted]	[redacted]	10.0
74	Moorgate [redacted] Inc	[redacted]	[redacted]	[redacted] *
75	T R Property	[redacted]	101.7	[redacted]
76	Yeoman - unit	[redacted]	82.4	3.1 *
77	Baillie Gifford Japan	[redacted]	86.4	2.2
78	U S D C	[redacted]	[redacted]	15.6
79	Oriental Smaller Cos	79.7	97.3	11.3
80	Fleming Enterprise	[redacted]	84.3	[redacted]
81	Pacific Assets	[redacted]	[redacted]	3.6
82	Keystone	77.2	[redacted]	9.5
83	Gartmore Emer Pac	[redacted]	[redacted]	2.2 *
84	Murray Ventures	[redacted]	[redacted]	15.5
85	BZW Convertible	[redacted]	[redacted]	14.1 *
86	T R Far [redacted]	71.1	[redacted]8	[redacted] *
87	[redacted]	70.1	[redacted]	[redacted]
88	[redacted]	[redacted]	63.7	[redacted] *
89	U [redacted]	[redacted]	74.9	6.9
90	M & G Second Dual - unit	[redacted]	68.0	[redacted]
91	[redacted]	65.3	66.2	2.0
92	Malvern [redacted]	64.7	65.6	1.9
93	Exeter [redacted] - Unit	[redacted]	[redacted]	5.2
94	[redacted] - unit	[redacted]	[redacted]	[redacted] *
95	Fidelity European	61.3	65.2	0.8
96	I & [redacted] Optimum [redacted] - unit	[redacted]	[redacted]	2.8 *
[redacted]	Second [redacted]	[redacted]	64.5	6.2
[redacted]	Abtrust [redacted] Dawn	[redacted]	65.1	0.8 *
[redacted]	S & P Linked - unit	[redacted]	65.9	9.3
100	Mezzanine Cap & Inc - [redacted]	[redacted]	[redacted]	2.5 *

** Premium; [redacted] premiums are calculated [redacted] a fully-diluted [redacted]*

[redacted] Shell [redacted] top [redacted] companies worldwide [redacted] the [redacted] producer among [redacted] integrated oil companies, although much [redacted] its capacity [redacted] trated [redacted] high-cost [redacted] Europe.

The [redacted] study concluded [redacted] Shell's medium-term [redacted] depen-dent [redacted] on oil price [redacted] than [redacted] the overall [redacted] world [redacted]nomy. [redacted] strengths [redacted] likely to hel[redacted] Shell through [redacted] present turmoil in [redacted] industry [redacted] a strong [redacted] in [redacted] fastest growing [redacted] in Asia. It [redacted] has one [redacted] largest [redacted] natu-ral gas businesses, [redacted] segment where prices [redacted] so [redacted] stayed relatively buoyant as [redacted] and companies real-[redacted] the [redacted]tal [redacted] benefits [redacted] with [redacted].

[redacted] reputation [redacted] by its [redacted] in finding [redacted] relatively low [redacted]. Figures [redacted] Brothers, [redacted] US [redacted] bank, [redacted] that Shell's [redacted] the past [redacted] averaged [redacted] barrel of oil equivalent (which [redacted] natural gas [redacted] condensate). [redacted] European oil companies of [redacted] a barrel, [redacted] US majors [redacted] a barrel.

[redacted] efficiency [redacted], how-ever, [redacted] cost-cutting, the [redacted] last [redacted] underpinned [redacted] perfor-mance [redacted] companies, [redacted] Petroleum, [redacted] marked impact.

The [redacted] study [redacted] company's [redacted] gearing [redacted] cost-cutting [redacted] will [redacted] less [redacted] line impact [redacted] similar [redacted] more highly geared [redacted]-petitors.

But Shell [redacted] with its competitors: [redacted] oil prices drift-[redacted] in [redacted] will [redacted] the postponement or cancellation of [redacted] number [redacted] capital-inten-[redacted] projects.

Over time [redacted] constrain [redacted] growth [redacted] Shell's worldwide [redacted] base, perhaps its [redacted] pillar [redacted] corporate strength.

C.A.J. Herkströter, chairman of the committee of managing directors: the senior management of Shell reflects the Anglo-Dutch roots of the company

Barometer of business

The FT500, now in its 12th year of publication, has come to be recognised as Europe's principal barometer of business.

The main table ranks the 500 biggest European companies by market capitalisation.

A second table ranks the top 500 UK companies on the London Stock Exchange. This [illegible], for the first time, there are two new international listings – the top 100 US and the top 100 Japanese companies, also by market capitalisation.

[illegible] company's capitalisation is the number of its shares multiplied by the price of its shares, and therefore measures the value of the [illegible] in the [illegible] of investors.

Capitalisation [illegible] chosen as a yardstick because it has a number [illegible] advantages [illegible] other methods.

It [illegible] [illegible] [illegible] guide to performance over time; it gives a proper weighting to banks, whose positions are distorted in tables based on turnover; and it takes proper account [illegible] loss-making companies, which disappear from lists based on [illegible].

The stock market is particularly important in [illegible] UK, [illegible] in Germany the banks play a larger role in corporate finance, and in France and Italy many of the biggest [illegible] are state-owned.

However, the table showing [illegible] 200 top companies in Europe ranked by turnover includes companies which are publicly-owned and which [illegible] in the top 500, and those which are owned privately or by the state.

■ Rankings: The rankings [illegible] the European 500, the UK 500 and the [illegible] 100 and Japanese 100 tables are [illegible] [illegible] market capitalisation [illegible] the end of September 1993. Preference capital has been excluded for this calculation.

Companies that have [illegible] [illegible] cent [illegible] more [illegible] equity held [illegible] [illegible] [illegible] [illegible], [illegible] that have only a minimal proportion [illegible] their capital openly traded on the market, have [illegible] [illegible].

The main [illegible] for [illegible] European and UK capitalisation [illegible] [illegible] FT Analysis, with additional information from [illegible] International, local stock exchanges, and [illegible] FT World Actuaries Index.

The source [illegible] [illegible] [illegible] Japan capitalisation [illegible] [illegible] [illegible] Poor's Compustat Services.

[illegible] ranking of companies having [illegible] same capitalisation [illegible] [illegible] determined by reference to their turnover or, where necessary, their profit.

Figures in the European, US and Japanese tables [illegible] in dollars, using September 1993 [illegible] exchange rates. For ease [illegible] comparison, turnover and profit figures for last year are also shown at September [illegible] average exchange rates. UK [illegible] figures are in sterling.

■ Accounts: Consolidated [illegible] have been used wherever possible. When parent company accounts only have been reported, these figures have been used and annotated.

Turnover is shown net of sales taxes and inter-group sales. A ranking based on the latest year's figure is also given.

Profit is disclosed profit before tax and minority interest. For the UK companies, it is also before extraordinary items. Return on capital employed (ROCE) is based on pre-tax profit plus interest divided by capital employed at the beginning of the financial year. ROCE is not calculated if pre-tax loss plus interest payment reflects a loss. For banks, capital employed [illegible] equivalent [illegible] shareholders' funds.

■ UK Investment Trusts: The rankings are based on market capitalisation at [illegible] [illegible] of September 1993. [illegible] shareholders' funds figure is based on the number of shares in issue and the [illegible] net [illegible] value.

[illegible] table [illegible] been compiled with the [illegible] [illegible] [illegible] [illegible].

■ [illegible] tables: Also [illegible] [illegible] the [illegible] time this [illegible], is [illegible] [illegible] showing [illegible] [illegible] for [illegible] top [illegible] UK companies.

[illegible] [illegible] distortions [illegible] percentages when [illegible] [illegible] [illegible] profit [illegible] [illegible] [illegible] [illegible] [illegible], the tables showing largest increases in profit [illegible] largest [illegible] in profit exclude [illegible] [illegible].

However, [illegible] showing [illegible] largest [illegible] from [illegible] to profits [illegible] vice [illegible] [illegible] published.

Note symbols for the tables

■ ROCE [illegible] on shareholders' [illegible] after charging interest [illegible] loan capital not stated separately

+ ROCE [illegible] [illegible] capital employed at year-[illegible]

¯ Previous year's figures adjusted for accounting changes

† Parent company accounts

[illegible] Employees [illegible] year [illegible]

[illegible] [illegible] based [illegible] shareholders' funds

* See footnotes

Reprints

The [illegible] will be available [illegible] booklet [illegible] and will include names of chief executives [illegible] company addresses.

Cheques for [illegible] made payable [illegible] The Financial Times Limited should [illegible] [illegible] [illegible] Lorraine Baker, The Financial Times Marketing Department, Number [illegible] Southwark Bridge, London SE1 9HL.

■ European Top 500 biggest employers

Rank 1993	Rank [illegible]	Company	Cntry	Sr	FT500 Rank	Employees
1	[illegible]	Siemens	Ger	[illegible]	10	413000
2	2	Daimler-Benz	Ger	[illegible]	14	302633
3	3	Unilever plc	NV/Nuk	451	6	287000
4	4	Fiat	Ita	401	85	285462
5	[illegible]	Volkswagen	Ger	403	88	273309
6	[illegible]	Philips	Net	541	86	257671
7	11	Nestle	Swi	451	6	218005
[illegible]	8	ABB Asea Brown Boveri	Swe/I	541	47	213407
[illegible]	0	Alcatel Alsthom	Fra	533	18	203000
10	12	[illegible] des Eaux	Fra	221	40	198813
11	[illegible]	BAT Industries	UK	171	11	197089
12	[illegible]	Hoechst	Ger	622	55	177668
13	[illegible]	BT	UK	223	2	170700
14	14	Bayer	Ger	622	34	150860
15	[illegible]	Peugeot	Fra	401	100	150800
16	16	Thyssen	Ger	633	146	148272
17		Accor	Fra	[illegible]	211	144093
18	25	Mannesmann	Ger	[illegible]	89	141250
19	[illegible]	STET	Ita	171	65	139757
20		BTR	UK	591	10	135133
21	17	Michelin	Fra	574	162	130686
22		Veba	Ger	171	33	129802
23	24	Lyonnaise [illegible] Eaux-Dumez	Fra	221	126	127552
[illegible]	19	Royal Dutch Shell	Nuk	212	1	127000
[illegible]	22	[illegible]	Ger	022	63	123500

■ A–Z list [illegible] the European top 500

A	RANK
A/S D/S Svendborg	148
Aare-Tessin	493
ABB [illegible]	[illegible]
Abbey National	69
ABN Amro Holding	[illegible]
Accor	211
Aegon	120
AGA	226
AGF	80
[illegible]	411
Ahold	230
Akzo	133
Alcatel Alsthom	18
Alleanza	90
Allianz Holding	[illegible]
Allianz Lebensversicherungs	96
Allied Colloids Group	[illegible]
Allied Irish Banks	[illegible]
Allied-Lyons	78
Almanij	402
Altana	434
Alusuisse-Lonza Holding	290
AMB Aachener & Muenchener Beteil	154
Anglian Water	238
Argentaria	107
Argos	347
Argyll Group	114
Arjo Wiggins Appleton	213
Asda Group	224
Asko Deutsche Kaufhaus	329
Assitalia	499
Associated British Foods	[illegible]
Associated British Ports	403
Astra	32
Atlas Copco	317
Audiofina	410
Autopistas	273
AVA	371
Axa	68

B	RANK
BAA	[illegible]
Baden-Wuerttembergische Bank	412
Badenwerk	259
Baer Holdings	483
Baloise Holding	349
Baltica Forsikring	[illegible]
Banca Commerciale Italiana	219
Bancaire (Compagnie)	[illegible]
Banco Ambrosiano Veneto	400
Banco Bilbao Vizcaya	92
Banco Central Hispanoamericano	[illegible]
Banco Comercial Portugues	377
Banco de Santander	101
Banco Exterior	171
Banco Popular Espanol	160
Banesto Group	184
Bank Austria	[illegible]
Bank of Ireland	289
Bank of Scotland	182
Bankinter	[illegible]
Banque Bruxelles Lambert	[illegible]
Barclays	31
BASF	63
Bass	93
BAT Industries	11
Bayer	[illegible]
Bayerische Hypo & Wechsel Bk	[illegible]
Bayerische Motoren Werke	99
Bayerische Vereinsbank	[illegible]
BBA Group	[illegible]
Beiersdorf	[illegible]
Bekaert	[illegible]
Berendsen (Sophus)	314
Bergesen d.y. Group	466
Berliner Bank	248
Berliner Kraft und Licht	369
BET	[illegible]
BHF Bank	203
[illegible]	[illegible]
BICC	243
Bilfinger & Berger	[illegible]
Blue Circle Industries	190
BOC Group	[illegible]
Bols Wessanen	288
Bon Marche	462
Bongrain	479
[illegible]	[illegible]
Boots Company	78
Bouygues	239
Bowater Industries	161
BPB Industries	258
Britannic Assurance	390
British Aerospace	231
British Airways	109
British Gas	[illegible]
British Land	313
British Petroleum	9
British Steel	[illegible]
BSN Groupe	53
BT	2
BTR	10
Bund	489
Burmah Castrol	250
Burton Group	344

C	RANK
C.G.I.P.	410
Cable & Wireless	24
[illegible]	103
Canal +	[illegible]
Cap Gemini Sogeti	351
Caradon Group	251
Carlsberg	229
Carlton Communications	[illegible]
[illegible]	205
Carrefour	76
Casino	330
Castorama Dubois	[illegible]
Centros Comerciales Pryca	[illegible]
Cetelem	210
[illegible]	[illegible]
Christian Dior	302
Chubb Security	306
Ciba	26
Cimentories CBR	361
Coats Viyella	227
[illegible]	431
Codan Group	485
[illegible]	481
Commercial Union	117
Commerzbank	105
Compania Espanola de Pet.	356
Comptoirs Modernes	423
Continental	[illegible]
Cookson Group	[illegible]
Courtaulds	[illegible]
Credit Comm de France	216
Credit Foncier de France	265
Credit Local de France	209
Credit National Group	384
[illegible]	208
Credito Italiano	256
CRH	341
CS Holding	36

D	RANK
D/S af 1912	149
Daily Mail and General Trust	367
Daimler-Benz	14
Dalgety	320
[illegible]	376
DBV	[illegible]
De La Rue	276
Degussa	289
Delhaize	327
Delta	426
Den Danske Bank	[illegible]
Deutsche Bank	12
Deutsche Lufthansa	207
Deutsche Pfandbrief-und HypoBank	[illegible]
Deutsche SB-Kauf	335
[illegible] Group	[illegible]
Docks de France	[illegible]
Douglas Holdings	[illegible]
Dragados y Construcciones	[illegible]
Dresdner Bank	60
DSM	[illegible]
Dunhill Holdings	[illegible]

E	RANK
East Midlands Electricity	305
Eastern Electricity	244
Edfage	444
Electrabel	[illegible]
Electrafina	[illegible]
Electrocomponents	380
Electrolux	253
Electrowatt	335
Elf Aquitaine	17
Elf Sanofi	[illegible]
Emap	491
Ems-Chemie	[illegible]
Endesa	[illegible]
English China Clays	283
Enso-Gutzeit	[illegible]
Enterprise Oil	170
Ericsson LM	57
Eridania Beghin-Say	[illegible]
Euro Disney	307
Eurotunnel Group	134

F	RANK
Farnell Electronics	[illegible]
Fecsa	[illegible]
Fiat	85
Fisons	[illegible]
FKI	[illegible]
Fomento de Construcciones	312
[illegible]	270
[illegible]	[illegible]
[illegible]	116
Froma[illegible]	435

G	RANK
Gambro	[illegible]
GAN	141
Gas Natural	[illegible]
Gehe	417
Gemina	[illegible]
General Accident	[illegible]
General Electric Company	[illegible]
Generale de Banque	158
Generale des Eaux	40
Generali (Assicurazioni)	20
GIB Group	437
GKN	282
Glaxo Holdings	7
Glynwed International	[illegible]
Granada Group	177
Grand Metropolitan	28
Great Portland Estates	[illegible]
[illegible] Universal [illegible]	87
Greenalls Group	[illegible]
Groupe Bruxelles Lambert	257
Guardian Royal Exchange	[illegible]
Guinness	29

H	RANK
Hafslund Nycomed	[illegible]
Hambros	476
Hammerson Property	394
Hanson	19
Hanbons & Croydield	[illegible]
[illegible] (Agence)	[illegible]
Hays	349
Heidelberger Zement	[illegible]
Heineken	[illegible]
Hepworth	[illegible]
HEW	[illegible]
Hillsdown Holdings	321
[illegible]	150
Hoechst	65
Holderbank Management	[illegible]
Holzmann (Philipp)	316
HSBC Holdings	6

I	RANK
Iberdrola	106
IFIL	[illegible]
IFINT	[illegible]
[illegible] Deutsche Industriebank	[illegible]
Imetal	461
IMI	373
Imperial Chemical Industries	71
Incentive	285
Inchcape	138
Institut Merieux	[illegible]
Internationale Nederlanden Group	[illegible]
[illegible]	[illegible]
Isar Amperwerke	195
[illegible]	460
Italgas	[illegible]

[illegible]	[illegible]
Johnson [illegible]	[illegible]
[illegible] Fenkl	[illegible]
[illegible]	[illegible]
Kaufhof	[illegible]
Kingfisher	84
Kleinwort Benson Group	482
KLM	[illegible]
KNP BT	[illegible]
[illegible]	185
Krupp, Fried AG H-K	340
Kvaerner	355
Kwik Save Group	352
[illegible]	[illegible]

L	RANK
[illegible]	[illegible]
[illegible]	[illegible]
Ladbroke Group	[illegible]
Lafarge Coppee	131
Lahmeyer	[illegible]
Land Securities	[illegible]
[illegible]	[illegible]
Laporte	284
Lasmo	325
Legal & General Group	[illegible]
Legrand	[illegible]
Leu Holding	[illegible]
Linde	159
Lloyds Abbey Life	[illegible]
Lloyds Bank	[illegible]
London Electricity	287
Lonrho	374
Lucas Industries	336
LVMH	51
Lyonnaise des Eaux-Dumez	[illegible]

M	[illegible]
[illegible]roup	[illegible]
MAI	[illegible]
Man	261
Mannesmann	[illegible]
Manweb	[illegible]
Mapfre (Corp)	[illegible]
Marks and Spencer	[illegible]
Matra Hachette	[illegible]
[illegible]	165
[illegible]	[illegible]
Mercury Asset Management	290
Metallgesellschaft	[illegible]
[illegible]	471
MFI Furniture Group	[illegible]
Michelin	[illegible]
Midlands Electricity	293
[illegible]	[illegible]
Mirror Group Newspapers	[illegible]
Montedison	[illegible]
Morgan Crucible	[illegible]
Morrison (Wm) Supermarkets	[illegible]
Muenchener Rueckversicherungs	27

N	RANK
National Power	[illegible]
National Westminster Bank	[illegible]
Navigation Mixte	219
[illegible]	6
NFC	[illegible]
Nobel Industries	463
Nokia	301
Norsk Hydro	[illegible]
North West Water	186
Northern Electric	[illegible]
Northern Foods	[illegible]
NORWEB	[illegible]
Novo Nordisk	[illegible]
Nuernberger Beteiligung	[illegible]

O	RANK
OeMV	[illegible]
Oldenburgische Landesbank	487
Olivetti	[illegible]
Orkla	[illegible]
Outokumpu	[illegible]

P	RANK
P & O Steam Navigation	121
Pargesa Holding	[illegible]
Paribas	[illegible]
[illegible]	[illegible]
Pearson	[illegible]
Pechiney International	[illegible]
Pernod [illegible]	164
Petrofina	91
[illegible]	[illegible]
Philips	[illegible]
Pilkington	[illegible]
Pinault-Printemps	[illegible]
[illegible]	418
Pirelli Spa	[illegible]
[illegible]	316
Powerfin	271
Powergen	111
Preussag	185
Procordia	[illegible]
[illegible]	[illegible]
[illegible] Corporation	[illegible]

R	RANK
Racal Electronics	480
Rank Organisation	140
RAS	[illegible]
Reckitt & Colman	[illegible]
Redland	[illegible]
Redoute (La)	[illegible]
Reed Elsevier	[illegible]
Remy Cointreau	470
Rentokil Group	181
[illegible]	[illegible]
Repsol	[illegible]
Reuters Holdings	84
Rheinelektra	[illegible]
Rhone-Poulenc	79
Richemont (Compagnie Financiere)	115
Rinascente (La)	[illegible]
RMC Group	237
Roche Holding	3
Rodamco	[illegible]
Rolls Royce	[illegible]
Rothmans International	96
Roussel-Uclaf	234
Royal Bank of Scotland Group	144
Royal Dutch Shell	1
Royal Insurance Holdings	189
Royale Belge	[illegible]
RTZ Corporation	[illegible]
Rugby Group	[illegible]
[illegible]	61

S	RANK
Safta Republic Holdings	[illegible]
Saga Petroleum	[illegible]
[illegible]	[illegible]
[illegible]	309
Sainsbury J	39
[illegible]	81
Saint-Louis Group	332
Salvesen (Christian)	342
[illegible]	[illegible]
[illegible]	145
SAP	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible] SA	[illegible]
[illegible]	239
Scottish & Newcastle	181
Scottish Hydro-Electric	249
Scottish Power	122
[illegible]	222
SEB	[illegible]
Security Services	[illegible]
Sedgwick Group	[illegible]
Seaboard	[illegible]
[illegible]	[illegible]
[illegible] Trust	[illegible]
[illegible] de [illegible]	[illegible]
Siebe	[illegible]
Siemens	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
Skandia Forsakring	[illegible]
Skandinaviska Enskilda Banken	[illegible]
Skanska	[illegible]
SKF	[illegible]
Slough Estates	[illegible]
SME	[illegible]
[illegible]	110
Smith & Nephew	245
Smith (W.H.) Group	[illegible]
SmithKline Beecham	23
Smiths Industries	[illegible]
"Smurfit, Jefferson"	[illegible]
Societe Gen. de Surveillance	[illegible]
Societe Generale	[illegible]
Societe Generale de Belgique	[illegible]
Solvay	[illegible]
[illegible] Wales Electricity	[illegible]
South West Water	[illegible]
South Western [illegible]	465
[illegible] Electric	242
Southern Water	[illegible]
Sovac	[illegible]
Springer (Axel)	[illegible]
Standard Chartered	[illegible]
[illegible]	05
[illegible]	221
[illegible]	[illegible]
Suedzucker	288
Suez (Compagnie [illegible])	[illegible]
Sulzer	[illegible]
Sun Alliance Group	[illegible]
Svenska Cellulosa	[illegible]
Svenska Handelsbanken	[illegible]
Swiss Bank Corporation	39
Swiss [illegible] Group	102
[illegible]	473
[illegible]	239
Synthelabo	262

T	RANK
T & N	396
Tabacalera	484
[illegible]	272
Tate & Lyle	269
Telefonica	45
Tesco	95
TF1	295
Thames Water	[illegible]
Thomson-CSF	176
Thorn EMI	87
Thuega	[illegible]
Thyssen	146
TI Group	232
Tomkins	139
[illegible] (Assicurazioni)	359
[illegible]	55
[illegible]	159
Trafalgar House	319
Transatlantic Holdings	380
Trygg-Hansa SPP Holding	381
TSB Group	112

U	RANK
U.A.P.	65
[illegible]	405
Unigate	392
Unilever plc NV	6
Union Bank of Switzerland	[illegible]
Union Electrica-Fenosa	451
Unitas Bank	440
United Biscuits (Holdings)	284
United Newspapers	274

V	RANK
V.N.U.	441
[illegible]	228
Veba	33
Vereins- und Westbank	487
[illegible]	174
Viag	118
Victoria Holding	212
[illegible]	74
Volksfuersorge	357
Volkswagen	88
[illegible]	138

W	RANK
Warburg S.G. Group	229
Wellcome	60
Welsh Water	387
Wessex Water	370
[illegible]	181
Wienerberger Baustoffindustrie	[illegible]
Williams Holdings	[illegible]
Willis Corroon Group	[illegible]
Wimpey (George)	494
[illegible] Versicherung	142
Wolseley	214
Wolters Kluwer	167
Worms et Cie	316
Wuerttembergische AG Versich	330

Y-Z	RANK
Yorkshire Electricity	294
Yorkshire Water	333
[illegible]	82
Zurich Insurance	70

Sir Iain [illegible] much [illegible] [illegible] already been made [illegible] [illegible] [illegible] [illegible] so [illegible] it [illegible] meet the challenges facing a high-technology company

■ Profile: BRITISH TELECOM

Number one in the UK directory

BT has regained its position as Britain's biggest company. Bernard Gray outlines the technological forces which are driving the UK giant's growth

MCI – the [illegible] long-distance telephone [illegible] which [illegible] allied [illegible] [illegible] – [illegible] on January 4 [illegible] [illegible] has strategic plans [illegible] invest [illegible] along with partners in the US telecoms market [illegible] [illegible] [illegible] decade. Developments will [illegible] a fibre-optic telecoms super-highway running from [illegible] York [illegible] Los Angeles to compete with regional US phone [illegible] [illegible] domestic [illegible]. [illegible] [illegible] [illegible] [illegible] required shows just how high the [illegible] are for global telecommunications companies.

Technological turmoil [illegible] bringing together computer technology with traditional phone operations. [illegible] [illegible] creating [illegible] possibility of new services [illegible] as home [illegible], consumers selecting video [illegible] to be [illegible] down telephone lines, and [illegible] handling [illegible] huge volumes of [illegible] [illegible] very [illegible] [illegible]. Yet to keep [illegible] [illegible] [illegible] rapidly developing [illegible] phone companies [illegible] going to have to invest huge sums and [illegible] complex alliances [illegible] [illegible] next [illegible].

[illegible] the same time as creating [illegible] possibility of multimedia ventures, technological change [illegible] [illegible] encouraging real [illegible] in [illegible] for [illegible] first time. From [illegible] phones [illegible] [illegible] TV, [illegible] now have a choice [illegible] competing telephone [illegible].

So the requirement [illegible] high capital expenditure comes [illegible] [illegible] same [illegible] as phone companies are going [illegible] have [illegible] [illegible] more [illegible] to [illegible] [illegible] lower prices which competition [illegible] likely [illegible] bring. It is going [illegible] be a [illegible] [illegible] for phone companies.

[illegible] revolution [illegible] [illegible] [illegible] in the US, [illegible] is rapidly spreading [illegible] [illegible] [illegible], and BT seems determined [illegible] [illegible] [illegible] the forefront of European [illegible] [illegible]. After a couple [illegible] [illegible] starts, including an investment [illegible] [illegible] cellular, [illegible] [illegible] strategy [illegible] [illegible] centred [illegible] its alliance with MCI, [illegible] [illegible] largest US long-distance phone carrier. The two companies [illegible] [illegible] [illegible] [illegible] [illegible] operation [illegible] [illegible] for the complex requirements [illegible] large multinational companies. Sophisticated computer [illegible] developed for these needs [illegible] [illegible] have spin-offs in more mundane [illegible] services. For example, [illegible] may be able to have a single telephone number which follows [illegible] wherever they [illegible].

[illegible] [illegible] tackling [illegible] US and international [illegible] [illegible] because they are the most [illegible] to competition. Yet even here the [illegible] [illegible] [illegible] in [illegible] it [illegible] do. US regulations severely limit foreign ownership [illegible] telecoms companies. And while services [illegible] multinational [illegible] may provide high-margin business, the market [illegible] strictly limited.

In Europe, telecoms [illegible] highly protected and [illegible] main voice communications market [illegible] unlikely to be opened up [illegible] [illegible]. [illegible] then, if previous deregulation [illegible] [illegible] guide, [illegible] in implementing [illegible] [illegible] [illegible] [illegible] [illegible] slow.

In [illegible] [illegible] market BT [illegible] [illegible] hedged about. Since it already [illegible] [illegible] a large [illegible] [illegible] it [illegible] [illegible] prevented from competing directly with the growing [illegible] TV companies [illegible] [illegible] providing [illegible] full [illegible] of TV [illegible] [illegible] well as telephone services.

[illegible] [illegible] thus caught in something [illegible] [illegible] bind. The market is changing rapidly, yet [illegible] [illegible] can only gain limited access to most interesting [illegible]. At the [illegible] time BT, in common with many other tele-[illegible] companies, [illegible] having [illegible] make the transition from [illegible] [illegible] state-owned public-service bureaucracy to a flexible and responsive high-technology company. The challenge of transforming an organisation, which by rumour used [illegible] have [illegible] vehicles than [illegible] Red Army, is huge. [illegible] only [illegible] work practices have to be changed, but the culture has to be shifted so that the [illegible] are focused on providing services demanded by customers, rather than [illegible] structure suiting itself. At the same time the company has [illegible] [illegible] with the [illegible] involved in a huge reduction in staff numbers.

According [illegible] chairman, Sir Iain Vallance, much [illegible] [illegible] already been made. Several initiatives have been launched to transform the company. [illegible] significant [illegible] which [illegible] the Project Sovereign which was visible [illegible] the outside [illegible] as the change in corporate logo and identity, but which involved adopting total quality management [illegible] and encouraging employees to focus [illegible] customers needs.

Many of those employees who did not like the new ethos or found it difficult to adapt have left [illegible] the years in one or other of companies redundancy programmes. Beside, as [illegible] Iain points out, "it [illegible] now almost exactly 10 years since BT [illegible] privatised, so the natural turnover [illegible] staff means that many staff have never [illegible] in the public sector. We now have the [illegible] more responsive workforce that this industry needs."

The [illegible] [illegible] also encouraging new attitudes by ring-fencing growth areas such as cellular communications and international services [illegible] try [illegible] prevent old-style bureaucracy from strangling innovation. If BT can inculcate a genuinely entrepreneurial and innovative ser-[illegible] culture among its staff, and overcome the barriers to competing in Europe and the US, it could be one of the telecom companies to do well in the new world. It is at least well [illegible] of those continental European PTT's which still luxuriate in [illegible] control.

■ UK Top 500 – Largest increases in profit

	Company	Sector	UK500 [illegible]	[illegible] Change
1	[illegible] Security (Holdings)	541	386	[illegible]
2	[illegible] Rubber	574	[illegible]	869.9
3	Cathay International Holdings	161	401	438.8
4	Northern Ireland Electricity	221	266	[illegible]
5	Dawsongroup	304	422	319.8
6	Ellis & Everard	622	371	[illegible]
7	[illegible]	112	17	[illegible]
8	Charter	611	[illegible]	[illegible]
9	[illegible] Electronics	551	182	219.6
10	Next	491	170	216.3
11	Legal & General Group	141	61	199.2
12	Carpetright	[illegible]	393	178.4
13	Forte	484	78	[illegible]
14	Taunton [illegible]	[illegible]	329	[illegible]
15	Guardian Royal Exchange	151	81	[illegible]
16	Westminster Health	[illegible]	369	156.7
17	Huntleigh Technology	566	428	137.4
18	Telemetrix	552	384	[illegible]
19	[illegible] Group	461	68	[illegible]
20	[illegible] (James) Group	[illegible]	481	126.6
21	United Newspapers	473	110	125.2
22	Lucas [illegible]	571	133	123.6
23	Prudential Corporation	141	24	123.1
24	[illegible] & Nephew	431	99	119.9
25	Medeva	433	280	115.1

■ UK Top 500 – Largest falls in profit

	Company	Sector	UK500 Rank	Change
1	Burford Holdings	161	400	-92.6
2	Heath C.E.	142	304	-92.2
3	[illegible] Petroleum	212	5	-90.7
4	Graseby	551	447	-86.5
5	[illegible] Group	461	67	[illegible]
6	Zeneca	433	22	-80.8
7	[illegible] (Bernard)	451	[illegible]	-74.7
8	Heywood Williams Group	611	309	-71.4
9	[illegible] Group	306	208	-68.6
10	Marley	611	222	-67.6
11	Senior Engineering Group	561	287	-65.2
12	Pentland Group	171	256	-65.2
13	[illegible] Bank of [illegible] Group	[illegible]	58	-63.8
14	Low & Bonar Group	652	247	-62.6
15	Babcock International Group	563	367	-62.4
16	Shanks & McEwan Group	563	265	-62.3
17	McAlpine [illegible]	613	438	[illegible]
18	Lonrho	171	146	-61.0
19	Singer & Friedlander Group	121	396	-60.9
20	Bullough	591	394	-59.0
21	[illegible] Group	475	199	-58.7
22	Pilkington	611	[illegible]	-57.6
23	British Airways	301	[illegible]	-57.4
24	Persimmon Group	614	283	-54.4
25	[illegible] James's Place Capital	122	226	-51.1

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■ UK Top 500 Largest rises in rank

Change	1993 Rank	1992 Rank	Company	Sector
238	199	437	WPP Group	[redacted]
199	231	430	[redacted] Business Systems	482
137	314	451	Stakis	461
114	311	[redacted]	Astec (BSR)	551
102	242	344	Peel Holdings	161
100	251	[redacted]	Barratt Developments	[redacted]
[redacted]	299	397	Hambro Countrywide	161
86	217	303	[redacted] MIM	122
[redacted]	142	226	Slough [redacted]	161
83	125	208	British Land	161
82	91	173	British Aerospace	523
80	392	472	Capital Radio	464
78	419	497	Wace Group	471
76	326	402	Frogmore Estates	161
73	202	275	Meyer [redacted]	[redacted]
72	179	251	Mirror Group [redacted]	[redacted]
70	253	323	Cray Electronics	551
70	273	343	Norcros	592
68	378	446	Courts	412
68	382	450	Anglia Television Group	[redacted]
67	249	316	Berkeley Group	[redacted]
[redacted]	206	270	Brixton [redacted]	161
[redacted]	126	189	Trafalgar House	171
[redacted]	243	[redacted]	Cowie (T.)	571
[redacted]	331	[redacted]	Bellway	614

■ UK Top 500 Largest falls in rank

[redacted]	[redacted]	Rank	Company	Sector
-151	322	171	[redacted]ng Ram Corporation	406
-136	496	360	Low (William)	[redacted]
-119	460	341	Plysu	[redacted]
-118	[redacted]	365	T & [redacted] Stores	493
-114	[redacted]	253	[redacted] Group	563
-103	278	[redacted]	[redacted] Group	481
-101	383	[redacted]	Macallan-Glenlivet	424
-99	409	[redacted]	[redacted] Bio-technology Group	433
-97	475	378	Thorntons	451
-90	421	331	Renishaw	661
-88	256	[redacted]	[redacted] Group	171
-85	[redacted]	328	Scholl	492
-84	295	211	[redacted] International Group	431
[redacted]	280	198	Medeva	433
-78	415	[redacted]	Huntingdon [redacted]	591
-75	427	352	Victaulic	566
-73	182	[redacted]	Racal Electronics	651
-72	305	[redacted]	Micro Focus Group	482
-69	458	389	Wardle Storeys	622
[redacted]	377	[redacted]	Raine [redacted]	613
-67	271	204	Wolverhampton & Dudley Brews	421
-65	279	214	Dawson [redacted]	411
-64	420	356	Bespak	433
-64	[redacted]	434	[redacted] Group	[redacted]
-64	[redacted]	390	[redacted]	[redacted]

■ UK Top 500 - Largest swings to profit

	Company	Sector	UK500 rank	£m
1	Asda Group	493	88	506.9
2	BET	171	116	438.6
3	Mirror Group Newspapers	472	179	359.0
[redacted]	Sun Alliance [redacted]p	151	60	[redacted]
5	Royal Insurance Holdings	151	73	254.0
6	Lex Service	571	[redacted]	157.1
[redacted]	General [redacted]	151	47	142.3
8	[redacted] Union	151	46	100.0
9	TSB Group	112	44	90.0
10	Cookson Group	621	130	80.4
11	Laing (John)	613	292	[redacted]
12	Amstrad	551	300	[redacted]
13	Stakis	461	314	47.7
14	Trade Indemnity Group	122	495	41.7
[redacted]	Meyer International	611	202	[redacted]
16	[redacted] International	621	262	[redacted]
17	Lep Group	482	499	[redacted]
18	Burton Group	491	135	22.8
19	Wickes	611	227	[redacted]
20	Westbury	614	465	[redacted]
21	[redacted]	551	311	[redacted]
22	Ashley (Laura) Holdings	495	340	10.9
23	Trafalgar House	171	126	[redacted]
24	Scottish Metropolitan Property	161	479	7.9
25	Hambro Countrywide	161	299	[redacted]

*These figures represent a change from loss to profit

■ UK Top 500 - Largest falls to loss

	Company	Sector	UK500 [redacted]	£m
1	Imperial Chemical [redacted]	622	28	-1227.0
2	British Ae[redacted]space	523	91	-1069.0
3	Barclays	112	18	-775.0
[redacted]	[redacted] & [redacted]	[redacted]	245	-542.7
5	Tarmac	613	109	-371.3
6	Lasmo	213	129	-268.0
7	Rolls-Royce	521	83	-235.0
8	Wimpey (George)	613	169	-98.3
9	British Steel	633	59	-94.0
10	Attwoods	406	241	-87.3
11	[redacted] City [redacted] Prop	161	446	-83.1
[redacted]	Amec	613	318	-74.4
13	Sears	492	87	-70.6
14	[redacted] British [redacted]	303	159	-67.6
15	Taylor [redacted]	613	[redacted]	-63.4
16	[redacted] Johnson	611	361	[redacted]
17	[redacted] Group	471	419	-38.1
18	Clyde Petroleum	213	341	-36.4
19	[redacted] (John)	613	440	-22.9
[redacted]	Countryside Properties	161	471	-14.8
[redacted]	Thorntons	[redacted]	475	-14.0
22	Vickers	566	203	-13.5
23	[redacted] Holdings	633	[redacted]	[redacted]
[redacted]	British Bio-technology Group	433	409	-5.5
[redacted]	Savoy Hotel	464	264	[redacted]

*These figures represent a change from profit to loss or from a loss to a further loss

THE FT500

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Ranking 1993	1992 company	country	Market Capital $m	Sector	[redacted]	Turnover this year $m	Turnover last year $m	per cent change	Profit this year $m	Profit last year $m	[redacted]	[redacted]	employees	Year ending
1	1 Royal Dutch/Shell	Nuk	86783.7	212	1	[redacted]	[redacted]	[redacted]	8104.0	[redacted]	[redacted]	14.2	127000	31/12/92
2	3 BT	UK	40928.1	223	24	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	15.0	170700	31/03/93
3	6 Roche Holding	Swi	35683.6	622	[redacted]	[redacted]	8085.7	13.1	[redacted]	1436.4	31.4	16.1 y	56335	31/12/92
4	7 Allianz Holding	Ger	30867.4	151	[redacted]	[redacted]	N/R	0.0	[redacted]	1101.0	-17.9	0	74504	31/12/92
5	4 Unilever plc/NV	Nuk	30455.1	451	[redacted]	[redacted]	35331.0	[redacted]	[redacted]	[redacted]	[redacted]	28.9	287000	31/12/92
6	5 Nestle	Swi	29666.8	451	7	[redacted]	[redacted]	[redacted]	3152.8	[redacted]	[redacted]	23.7 y	218005	31/12/92
7	2 Glaxo Holdings	UK	29175.5	433	81	[redacted]	[redacted]	20.4	[redacted]	2176.6	17.4	40.1	40024	30/06/93
8	19 HSBC Holdings	UK	27351.9	112	[redacted]	N/R	N/R	0.0	2608.3	[redacted]	94.3 a	[redacted]	99148	31/12/92
9	12 British Petroleum	UK	26963.1	212	[redacted]	50716.9	49745.3	2.0	170.8	[redacted]	-90.7	[redacted]	105750	31/12/92
10	8 Siemens	Ger	22650.0	541	5	[redacted]	45055.8	[redacted]	[redacted]	[redacted]	-6.5	7.0	413000	30/09/92
11	9 BAT Industries	UK	22593.2	171	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	7.7	197989	31/12/92
12	10 Deutsche Bank	Ger	22596.3	112	[redacted]	N/R	N/R	[redacted]	2259.1	[redacted]	[redacted] a	19.3 y	74256	31/12/92
13	14 British Gas	UK	21661.8	222	31	[redacted]	[redacted]	-2.2	[redacted]	[redacted]	-42.4	11.3	79377	31/12/92
14	13 Daimler-Benz	Ger	21344.0	401	[redacted]	60617.7	56633.7	[redacted]	[redacted]	[redacted]	-31.7	7.7	382633	31/12/92
15	25 Union Bank of Switzerland	Swi	20321.2	112	[redacted]	N/R	N/R	[redacted]	[redacted]	[redacted]	15.8 a	11.3 y	27280	31/12/92
16	21 BTR	UK	19133.3	591	[redacted]	[redacted]	[redacted]	[redacted]	1655.0	[redacted]	[redacted]	22.9	135133	31/12/92
17	18 Elf Aquitaine	Fra	18743.8	212	10	[redacted]	[redacted]	-0.1	[redacted]	[redacted]	[redacted]	[redacted]	87922	31/12/92
18	17 Alcatel Alsthom	Fra	18494.8	533	14	[redacted]	[redacted]	1.0	[redacted]	[redacted]	[redacted]	15 y	203000	31/12/92
19	16 Hanson	UK	18387.8	171	43	13419.8	11731.2	14.4	1961.6	[redacted]	-2.3	16.4	75000	30/09/93
20	23 Generali (Assicurazioni)	Ita	18347.3	151	0	N/R	N/R	0.0	725.3	[redacted]	-11.2	0 y	33311	31/12/92
21	20 Sandoz	Swi	16740.3	433	62	10179.4	9493.0	7.2	1396.1	786.6	77.7	18.1 y	53360	31/12/92
22	22 Marks and Spencer	UK	16380.8	491	[redacted]	9077.2	8889.6	2.1	1124.2	898.4	25.1	23.0	62080	31/03/93
23	11 SmithKline Beecham	UK	15609.6	433	77	7960.6	7146.1	11.4	1700.7	1528.4	11.3	[redacted]	53700	31/12/92
24	39 Cable & Wireless	UK	14812.5	223	110	5835.6	4844.7	[redacted]	[redacted]	981.5	42.7	26.0	39837	31/03/93
25	33 General Electric Company	UK	14796.3	541	[redacted]	8560.1	8807.2	-2.8	1316.4	1284.5	4.1	23.3	93226	31/03/93
26	24 Ciba	Swi	14164.9	622	[redacted]	16678.6	[redacted]	5.3	1073.3	903.8	18.8	8.7	90554	31/12/92
27	37 Muenchener Ruckversicherungs	Ger	13975.6	151	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	161.1	[redacted]	0	3510	30/06/92
28	27 Grand Metropolitan	UK	13237.2	421	[redacted]	[redacted]	[redacted]	[redacted]	1410.9	683.3	106.5	26.6	102405	[redacted]
29	15 Guinness	UK	12952.0	421	90	6655.0	[redacted]	[redacted]	1212.6	1458.2	-16.8	26.8	24538	[redacted]
30	41 National Westminster Bank	UK	12787.8	112	0	N/R	N/R	0.0	617.8	167.8	268.2 <	14.4	[redacted]	[redacted]
31	44 Barclays	UK	12749.7	112	0	N/R	N/R	0.0	-369.1	813.0	0.0 <	0.7	[redacted]	[redacted]
32	32 Astra	Swe	12595.0	433	[redacted]	[redacted]	[redacted]	[redacted]	639.4	425.9	50.1	49.8	11268	[redacted]
33	35 Veba	Ger	12361.5	171	[redacted]	[redacted]	[redacted]	[redacted]	1151.2	[redacted]	[redacted]	[redacted] y	129802	31/12/92
34	34 Bayer	Ger	12333.6	622	18	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	10.9	156860	[redacted]
35	59 Total	Fra	12037.0	212	21	[redacted]	[redacted]	-4.5	[redacted]	[redacted]	[redacted]	10.9	51139	[redacted]
36	66 CS Holding	Swi	11873.9	112	[redacted]	N/R	N/R	[redacted]	[redacted]	[redacted]	[redacted] a	[redacted]	n/a	[redacted]
37	103 Ericsson LM	Swe	11831.6	533	108	6872.4	5719.2	2.7	[redacted]	[redacted]	-23.2	10.0 y	66232	[redacted]
38	62 Swiss Bank Corporation	Swi	11782.0	112	0	N/R	N/R	0.0	[redacted]	[redacted]	-6.3 <	11.5 y	23745	[redacted]
39	26 Sainsbury J	UK	11694.0	493	37	14773.5	13263.4	11.4	1117.8	957.9	16.7	22.9	120119	13/03/93
40	42 Generale des Eaux	Fra	11690.0	221	19	25295.5	23802.5	6.3	717.9	698.6	3.1	19.1 y	198813	31/12/92
41	0 Reed Elsevier	Nuk	11643.4	472	[redacted]	[redacted]	3450.3	8.8	[redacted]	[redacted]	19.1 +	17.9	25000	[redacted]
42	36 L'Oreal	Fra	11558.0	432	92	6627.5	5900.2	12.3	656.2	621.3	5.6	25.2	31908	[redacted]
43	149 SIP	Ita	11512.0	223	41	[redacted]	[redacted]	[redacted]	[redacted]	383.7	[redacted]	4.9	89293	[redacted]
44	43 Lloyds Bank	UK	11283.5	112	[redacted]	N/R	N/R	0.0	[redacted]	[redacted]	[redacted] a	37.7	67063	31/12/92
45	47 Telefonica	Spa	11118.6	223	68	8260.3	8035.2	15.2	723.5	984.4	-26.5	[redacted]	83802	[redacted]
46	38 RTZ Corporation	UK	11009.2	634	129	4954.2	5417.9	-8.6	819.1	663.5	23.4	13.1	68298	31/12/92
47	40 ABB Asea Brown Boveri	Swe/Swi	10967.7	541	13	29616.0	28883.0	2.5	946.0	1049.0	-9.7	14.9	213407	31/12/92
48	54 Endesa	Spa	10595.4	221	[redacted]	[redacted]	[redacted]	[redacted]	1163.5	1044.3	[redacted]	12.3 y	16374	[redacted]
49	60 Internationale Nederlanden Group	Net	10591.0	121	0	N/R	N/R	0.0	[redacted]	1129.8	4.7 a	15.4 y	51010	31/12/92
50	49 Dresdner Bank	Ger	10565.8	112	0	N/R	N/R	[redacted]	[redacted]	795.1	[redacted] a	14.7 y	[redacted]	[redacted]
51	31 LVMH	Fra	10480.5	422	159	3820.8	3887.5	-1.7	770.1	1050.7	-26.7	23.2	15501	[redacted]
52	0 Zeneca	UK	10363.6	433	101	6069.2	5993.0	1.3	165.6	809.9	-80.8	11.2	33900	[redacted]
53	30 BSN Groupe	Fra	10242.8	451	46	[redacted]	11655.7	7.2	1096.3	1126.9	-2.7	21.8 y	58063	31/12/92
54	48 Reuters Holdings	UK	10172.5	474	220	[redacted]	2237.0	[redacted]	684.5	[redacted]	[redacted]	49.5	10185	31/12/92
55	45 Hoechst	Ger	9971.0	622	15	[redacted]	[redacted]	[redacted]	[redacted]	1581.1	-17.7	[redacted]	[redacted]	31/12/92
56	51 Prudential Corporation	UK	9827.0	141	0	[redacted]	N/R	[redacted]	[redacted]	[redacted]	[redacted]	0	23619	31/12/92
57	55 ABN Amro Holding	Net	9706.7	112	0	N/R	[redacted]	0.0	[redacted]	[redacted]	9.9 a	16.7 y	50060	31/12/92
58	69 U.A.P.	Fra	9585.6	151	0	N/R	N/R	[redacted]	[redacted]	[redacted]	[redacted]	0 y	[redacted]	31/12/92
59	29 Wellcome	UK	9185.0	433	[redacted]	[redacted]	2450.1	9.7	769.8	614.6	[redacted]	37.0	17706	29/08/92
60	50 Electrabel	Bel	9154.8	221	111	5666.8	5466.0	3.7	846.9	767.3	10.4	13.6	17959	31/12/92
61	58 RWE	Ger	9133.2	221	11	32766.0	31926.7	2.6	1366.9	1545.9	-11.6	4.8	113842	30/06/93
62	65 Suez (Compagnie Financiere de)	Fra	9099.4	112	0	N/R	N/R	0.0	226.2	[redacted]	-85.9 a	2.6	67000	31/12/92
63	56 BASF	Ger	9064.8	622	16	27476.2	28774.5	-4.5	764.9	[redacted]	-41.3	11.2	123500	31/12/92
64	54 Societe Generale	Fra	8984.2	112	[redacted]	[redacted]	N/R	[redacted]	[redacted]	992.5	[redacted]	15.9	45158 #	31/12/92
65	136 STET	Ita	8790.5	171	[redacted]	[redacted]	[redacted]	[redacted]	1767.2	1451.9	[redacted]	[redacted]	139757	31/12/92
66	72 Repsol	Spa	8732.3	212	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	-7.3	17.7	20707	31/12/92
67	71 Great Universal Stores	UK	8462.0	493	145	[redacted]	3961.4	8.2	[redacted]	[redacted]	7.1	14.3	29631	31/03/93
68	95 Axa	Fra	8418.7	171	0	[redacted]	[redacted]	[redacted]	566.5	[redacted]	-16.7	0	27472	31/12/92
69	68 Abbey National	[redacted]	8218.8	112	[redacted]	[redacted]	[redacted]	0.0	[redacted]	[redacted]	-8.7	21.0	15458	31/12/92
70	75 Zurich Insurance	[redacted]	7972.5	151	[redacted]	N/R	[redacted]	0.0	593.1	550.7	7.7	0 y	36985	31/12/92
71	28 Imperial Chemical Industries	[redacted]	7871.3	622	[redacted]	18396.9	19048.2	-3.4	-585.7	1285.8	0.0	0	117500	31/12/91
72	52 L'Air Liquide	Fra	7865.3	621	[redacted]	[redacted]	[redacted]	[redacted]	641.7	693.3	-7.4	15.1	n/a	31/12/92
73	78 Paribas	Fra	7790.5	112	0	[redacted]	N/R	0.0	642.3	381.4	68.4 a	9.5 y	25346	31/12/92
74	79 Vodafone	UK	7718.1	223	315	1013.0	892.8	13.5	491.9	414.5	[redacted]	69.3	2333	31/03/93
75	81 Carrefour	Fra	7696.7	493	[redacted]	20665.3	[redacted]	16.7	421.1	[redacted]	[redacted]	26.0	76100	31/12/92
76	46 Allied-Lyons	UK	7675.0	421	76	[redacted]	6175.7	-1.8	770.3	[redacted]	15.0	[redacted]	25810	06/03/93
77	77 National Power	UK	7662.7	221	91	6632.1	7170.5	-7.5	[redacted]	[redacted]	[redacted]	18.6	9934	28/03/93
78	53 Boots Company	UK	7601.3	492	102	6043.6	5576.1	[redacted]	618.1	570.8	8.3	25.8	79738	31/03/93
79	0 Rhone-Poulenc	Fra	7279.7	622	38	14414.8	14786.7	-2.5	[redacted]	[redacted]	[redacted]	16.7 y	83283	31/12/92
80	110 AGF	Fra	7189.2	151	0	N/R	[redacted]	[redacted]	[redacted]	639.0	-8.7	0	21945	31/12/92
81	61 Saint-Gobain	Fra	7027.5	611	44	[redacted]	[redacted]	-1.4	664.0	778.7	-14.7	15.4	104002	31/12/92
82	67 Procordia	Swe	6797.5	433	127	[redacted]	4752.7	4.8	607.6	413.4	47.0	[redacted]	40070	31/12/92
83	74 BAA	UK	6634.1	306	342	[redacted]	1377.4	-49.9	494.7	291.3	49.2	[redacted]	8417	31/03/93
84	106 Kingfisher	UK	6583.8	491	[redacted]	5411.7	5169.0	4.7	312.4	[redacted]	[redacted]	16.8	62799	30/01/93
85	94 Fiat	Ita	6448.6	401	9	37672.8	[redacted]	4.6	[redacted]	[redacted]	-44.4	10.5 y	285482	31/12/92
86	101 Philips	Net	6429.8	541	12	32161.2	[redacted]	2.7	[redacted]	[redacted]	0.0	4.4	[redacted]	31/12/92
87	85 Thorn Emi	[redacted]	6227.9	461	67	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	24.6	49433	31/03/93
88	87 Volkswagen	[redacted]	6115.2	401	3	[redacted]	[redacted]	11.9	371.5	1101.6	-66.3	5.2	[redacted]	31/12/91
89	96 Mannesmann	[redacted]	6092.9	565	28	[redacted]	[redacted]	15.2	178.1	561.0	-68.2	3.1	[redacted]	31/12/92
90	133 Alleanza	[redacted]	6090.2	151	0	N/R	N/R	0.0	134.9	125.3	7.6	0 y	3326	31/12/92
91	70 Petrofina	Bel	6077.4	212	32	15436.0	16558.1	-6.8	260.5	851.6	-69.4	6.6	15490	31/12/92
92	98 Banco Bilbao Vizcaya	Spa	6060.3	112	0	N/R	N/R	[redacted]	[redacted]	1112.4	-39.9 a	[redacted]	28500	31/12/92
93	57 Bass	UK	6048.8	421	93	6569.6	6685.5	-1.7	764.2	655.9	16.5	11.7	84095	30/09/92
94	90 Bayerische Vereinsbank	Ger	6041.7	112	0	N/R	N/R	0.0	524.9	475.0	10.5 a	16.1 y	21533	31/12/92
95	63 Tesco	UK	5908.5	493	53	11584.2	10825.8	6.8	888.1	[redacted]	6.5	18.5	86066	27/02/93
96	120 Allianz Lebensversicherungs	Ger	5894.8	151	[redacted]	N/R	[redacted]	0.0	90.8	73.4	[redacted]	0 y	4983	31/12/92
97	89 Bayerische Hypo. & Wechsel Bk	[redacted]	5888.1	112	0	N/R	N/R	0.0	510.8	475.2	7.5 a	17.1 y	16907	31/12/92
98	76 Rothmans International	UK	5851.4	425	149	4133.0	3676.3	12.4	938.5	862.1	8.6	27.8	20370	31/03/93
99	86 Bayerische Motoren Werke	Ger	5821.5	401	25	19279.8	18414.6	4.7	823.3	965.2	-14.7	8.6	63106	31/12/92
100	84 Peugeot	[redacted]	5786.4	401	17	[redacted]	[redacted]	[redacted]	761.5	[redacted]	-49.7	9.5 y	[redacted]	31/12/92
101	125 Banco de Santander	Spa	5721.9	112	[redacted]	N/R	N/R	[redacted]	[redacted]	[redacted]	-10.6 a	36.3	[redacted]	31/12/91
102	108 Swiss Reinsurance Group	Swi	5719.8	151	0	[redacted]	[redacted]	0.0	[redacted]	341.1	3.3	0	28246	31/12/92
103	82 Cadbury Schweppes	UK	5596.0	451	124	5144.0	4930.3	4.3	507.5	480.0	5.7	33.9	36579	02/01/93
104	93 Norsk Hydro	Nor	5591.2	214	75	6208.3	6568.2	-4.2	209.9	2.7	7715.6	7.0 y	34038	31/12/92
105	99 Commerzbank	Ger	5500.4	112	0	N/R	[redacted]	[redacted]	[redacted]	668.4	[redacted] a	19.8	30158	31/12/92
106	91 Iberdrola	Spa	5399.8	221	105	[redacted]	4097.4	[redacted]	[redacted]	654.1	-3.9	10.1	15086	31/12/92
107	0 Argentaria	Spa	5248.8	112	0	N/R	N/R	0.0	[redacted]	[redacted]	76.4 a	8.5 y	[redacted]	31/12/92
108	136 Land Securities	UK	5246.7	161	0	[redacted]	N/R	[redacted]	356.0	347.0	[redacted]	8.1	547	31/03/93
109	126 British Airways	UK	5194.9	301	73	8489.9	7968.3	[redacted]	[redacted]	562.0	-57.4	11.4	[redacted]	31/03/93
110	143 SMH	[redacted]	5173.7	591	247	1950.3	1626.9	19.9	360.1	211.1	[redacted]	27.4 y	[redacted]	31/12/92
111	121 Powergen	[redacted]	5106.6	221	132	[redacted]	[redacted]	[redacted]	[redacted]	547.6	[redacted]	21.5	5715	04/04/93
112	145 TSB Group	[redacted]	5089.1	112	[redacted]	N/R	[redacted]	[redacted]	65.6	-71.7	[redacted]	6.5	[redacted]	31/10/92
113	92 Banco Central Hispanoamericano	[redacted]	5038.5	112	0	N/R	N/R	0.0	851.0	853.3	-23.7 a	13.4	35736	31/12/92
114	73 Argyll Group	[redacted]	5035.4	493	[redacted]	7926.0	7213.6	[redacted]	636.5	556.0	14.5	26.8	65937	03/04/93
115	97 Richemont (Compagnie Financiere)	[redacted]	5031.3	171	52	11701.2	10687.3	9.5	[redacted]	[redacted]	5.1	23.8	n/a	31/03/93
116	104 Fortis	Be/Ne	5026.3	151	0	[redacted]	N/R	0.0	[redacted]	539.0	3.2	0 y	22216	31/12/92
117	115 Commercial Union	UK	5023.2	151	0	N/R	N/R	0.0	[redacted]	[redacted]	0.0	0	9132	31/12/92
118	118 Viag	[redacted]	4890.1	622	[redacted]	15002.9	[redacted]	[redacted]	[redacted]	528.4	-13.9	[redacted]	[redacted]	31/12/92
119	119 General Accident	UK	4816.7	151	0	N/R	N/R	0.0	-44.7	-261.7	[redacted]	[redacted]	13162	31/12/92
120	117 Aegon	Net	4780.7	151	0	N/R	N/R	[redacted]	555.6	[redacted]	2.2	0 y	18004	31/12/92
121	127 P & O Steam Navigation	UK	4761.8	303	74	[redacted]	7469.8	12.9	[redacted]	[redacted]	16.1	[redacted]	71133	31/12/92
122	182 Scottish Power	[redacted]	4748.9	221	226	2266.5	2112.0	[redacted]	453.2	397.3	14.0	[redacted]	6724	31/03/93
123	113 Sun Alliance Group	UK	4739.2	151	0	N/R	N/R	[redacted]	-197.7	-711.1	0.0	0	18239	31/12/92
124	175 Bank Austria	Aus	4689.9	112	0	N/R	N/R	0.0	117.2	[redacted]	-26.5 a	4.7 y	9587	31/12/92
125	114 Lloyds Abbey Life	UK	4638.4	141	0	N/R	N/R	0.0	453.9	[redacted]	4.2	0	10230	31/12/92

■ Footnotes to companies listed on this page

13 British Gas, figures prepared according [redacted] current cost accounting. 1991 figures are pro forma [redacted] 12 months to 31/12/91.

[redacted] Ciba, profit [redacted] net of [redacted] and minorities.

30 [redacted] Westminster Bank, employees = UK average.

31 Barclays, [redacted] = UK average.

41 Reed Elsevier, me[redacted] of Reed International and [redacted] effective 1/1/93. Figures are pro forma as if merger had been [redacted] at [redacted] 1991.

52 Zeneca, demerger from Imperial Chemical Industries. Stock Exchange listing 6/93.

[redacted] BSN Groupe, ROCE based on pre tax profit [redacted] net [redacted]

90 [redacted] employees = parent company.

103 Cadbury Schweppes, [redacted] year's figures are for 53 weeks [redacted] 2/3/93

107 [redacted]a, stock exchange listing 5/93.

112 TSB Group, employees = UK average.

113 [redacted] Central Hispanoamericano, figures are pro forma.

117 Commercial Union, employees = UK average

119 General Accident, employees = UK average.

THE FT500

500
126-250

■ **Footnotes to companies listed on this page**

156 Legal & General Grou[illegible] employees = UK average.
158 Generale de Ban[illegible], employees = parent company.
163 RAS, employees = parent company.
165 Standard Chartered, employees = UK average
166 Schneider SA, formerly SPEP. Absorption of Groupe Schneid[illegible] Sept 93.
173 Associated British Foods, last year's figures for 76 weeks to 14/9/91.
185 Kredietbank, this year's figures for 9 months to 31/12/92, last year's figures for 12 months to 31/03/92. Profit is net of tax.
189 Royal Insurance Holdings, employees = UK average.
201 Promodes, ROCE based on pre tax profit and net interest.
204 United Biscuits (Holdings), this year's figures are for 53 weeks to 2/1/93.
211 Accor, figures not comparable with 1991 results due to consolidation of Compagnie Internationale des Wagons-Lits .Pro forma 1991 turnover Ffr 27648m.
217 Allied Irish Banks, this year's figures for 9 months to 31/12/92, last year's figures for 12 months to 31/3/92.
220 Warburg S.G. Group, employe[illegible] = UK average.
224 Asda Group, last [illegible]ar's figur[illegible] for 53 weeks to 2/5/92.
228 Schroders, profit = profit after tax and transfer to inner reserves. Employees = UK average.
230 Ahold, this year's figures for 53 [illegible] to 31/12/92.
235 [illegible] Hachette, merger of Matra and Hachette Dec 92 effective 1/1/92. 1991 figures are pro forma.

Ranking 1993	1992	company	country	Market Capital $m	Sector	Turnover Rank	This year $m	Last year $m	% change	Profit this year $m	Last year $m	% change	ROCE	employees	Year ending
126	89	Lyonnaise des Eaux-Dumez	Fra	4634.5	221	45	12700.3	16433.8	-17.7	482.2	393.2	15.0	9.6 y	127552	31/12/92
127	118	Societe Generale de Belgique	Bel	4672.4	171	113	5925.9	6727.9	-16.4	310.3	342.9	[illegible]	6.8	29164	31/12/92
128	80	BOC Group	UK	4648.3	622	147	4166.0	4146.8	0.5	327.9	473.0	-30.7	14.0	35702	30/09/92
129	102	Canal +	Fra	4649.8	474	286	1400.2	1234.5	13.4	274.3	291.4	-5.9	39.1	2467	31/12/92
130	132	Pearson	UK	4509.8	472	216	2484.1	2441.1	1.8	220.0	273.9	[illegible]	14.6	27959 *	31/12/92
131	153	Lafarge Coppee	Fra	4370.3	611	117	5372.1	5563.4	-3.8	369.8	343.7	7.5	11.8	29662	31/12/92
132	166	Redland	UK	4339.8	611	196	2863.2	1981.7	45.5	337.9	284.2	[illegible]	15.2	22069	31/12/92
133	124	Akzo	Net	4329.7	622	67	9269.3	9259.9	0.0	622.0	463.8	[illegible]	13.0 y	62500	31/12/92
134	123	Eurotunnel Group	UK/Fr	4254.4	304	0	N/R	N/R	0.0	-2.4	-0.2	0.0	0	549	31/12/92
135	130	Rodamco	Net	4213.0	181	0	N/R	N/R	0.0	290.7	221.5	31.3	7.3	n/a	28/02/93
136	129	Volvo	Swe	4190.0	401	61	10366.8	9644.6	7.5	-413.6	139.0	[illegible]	1.9 y	60115	31/12/92
137	156	Schering	Ger	4164.9	622	158	3967.8	3924.7	-1.4	322.5	287.5	12.2	11.3	26034	31/12/92
138	111	Inchcape	UK	4114.3	171	80	7682.6	5545.8	38.5	381.5	282.5	35.0	32.8	38573 *	31/12/92
139	192	Tomkins	UK	4073.9	671	185	3141.4	1943.5	61.6	260.8	201.5	[illegible]	30.0	30511	01/05/93
140	163	Rank Organisation	UK	4068.8	461	182	3197.1	3224.8	-0.9	351.0	382.1	[illegible]	12.4	41991	31/10/92
141	162	GAN	Fra	4033.4	151	0	N/R	N/R	0.0	168.4	645.9	-73.9	0	n/a	31/12/92
142	134	Winterthur Versicherung	Swi	4003.2	151	0	N/R	N/R	0.0	278.9	292.4	[illegible]	0	19807	31/12/92
143	109	Heineken	Net	3963.4	421	130	4914.6	4778.4	2.9	366.0	355.4	6.9	14.0	23112	31/12/92
144	216	Royal Bank of Scotland Group	UK	3960.3	112	0	N/R	N/R	0.0	31.9	88.0	[illegible]	6.3	23457	30/09/92
145	141	Sandvik	Swe	3958.9	562	233	2160.3	2192.9	-1.9	187.0	221.8	-15.7	9.4	25699	31/12/92
146	131	Thyssen	Ger	3921.2	633	22	22065.6	22563.4	-2.2	456.4	622.3	[illegible]	5.6	148272	31/12/92
147	229	British Steel	UK	3920.9	633	94	6563.5	7013.4	-6.4	-227.3	-63.9	[illegible]	0	45600	03/04/93
148	173	A/S D/S Svendborg	Den	3911.5	303	362	16.4	14.9	10.5	34.4	32.8	[illegible]	12.9	n/a	31/12/92
149	171	D/S af 1912	Den	3894.8	[illegible]	[illegible]	16.4	14.8	10.1	30.9	30.2	2.5	13.9	n/a	31/12/92
150	150	Hochtief	Ger	3869.4	[illegible]	[illegible]	3070.5	2083.2	47.4	160.5	99.8	60.8	7.8	29254	31/12/92
151	135	Whitbread	UK	3848.5	421	168	3579.0	3342.3	7.1	270.0	180.9	49.2	7.3	64685 *	27/02/93
152	112	Elf Sanofi	Fra	3808.8	433	162	3782.5	3458.5	9.4	302.0	245.4	23.1	14.4	24625	31/12/92
153	128	Havas (Agence)	Fra	3794.7	475	128	4971.9	4674.5	6.4	326.5	393.8	-17.3	23.9	12430	31/12/92
154	201	AMB Aachener & Muenchener Beteil	Ger	3712.8	151	0	N/R	N/R	0.0	67.4	63.3	6.5	0	18103 #	31/12/92
155	146	Preussag	Ger	3690.9	634	34	15103.5	15706.8	-3.9	369.3	392.4	-0.8	7.7 y	73680	30/09/92
156	167	Legal & General Group	UK	3614.9	141	0	N/R	N/R	0.0	177.1	59.2	199.2	0	8077 **	31/12/92
157	122	Reckitt & Colman	UK	3551.5	431	196	2904.7	3030.6	-4.2	277.2	[illegible]	-22.3	35.4	20800 *	02/01/93
158	140	Generale de Banque	Bel	3513.7	112	0	N/R	N/R	0.0	473.5	[illegible]	20.3 a	18.2 y	14444 **	31/12/92
159	137	Tractebel	Bel	3507.3	221	84	7253.5	6766.0	7.2	930.6	883.3	5.4	12.7	33985	31/12/92
160	183	Banco Popular Espanol	Spa	3497.7	112	0	N/R	N/R	0.0	643.9	612.3	5.2 a	41.0 y	12114	31/12/91
161	157	Bowater Industries	UK	3449.7	651	227	2303.2	1839.7	25.2	224.5	151.0	48.7	26.5	22100 *	31/12/92
162	107	Michelin	Fra	3444.1	574	51	11793.0	11934.4	-1.2	271.1	-108.0	0.0	9.9	130686	31/12/92
163	282	RAS	Ita	3442.5	151	0	N/R	N/R	0.0	110.8	316.5	-65.0	0 y	3551 *	31/12/92
164	105	Pernod Ricard	Fra	3430.2	422	213	2557.5	2685.2	-4.8	291.4	263.2	10.7	19.0	9381	31/12/92
165	259	Standard Chartered	UK	3428.4	112	0	N/R	N/R	0.0	308.1	313.1	-1.6 <	29.3	2859 *	31/12/92
166	0	Schneider SA	Fra	3417.3	171	58	10670.8	10426.6	4.3	229.3	264.1	-13.2	21.5 y	97451 *	31/12/92
167	159	Wolters Kluwer	Net	[illegible]	472	296	1294.0	1308.6	-1.1	214.9	184.3	16.6	142.6	8139	31/12/92
168	186	Mediobanca	Ita	[illegible]	121	0	N/R	N/R	0.0	303.2	238.1	27.4	16.4 y	307	30/06/92
169	144	Linde	Ger	[illegible]	568	137	4649.6	4265.3	9.0	294.4	294.2	0.1	16.1 y	30424	31/12/92
170	147	Enterprise Oil	UK	3340.0	213	328	820.8	743.0	10.5	221.0	174.5	26.7	10.8	655	31/12/92
171	139	Banco Exterior	Spa	3321.2	112	0	N/R	N/R	0.0	86.8	247.1	-64.9 a	4.1	10633 *	31/12/92
172	170	Eridania Beghin-Say	Fra	[illegible]	451	71	8776.2	7216.9	21.6	368.3	295.3	24.0	26.9	25038	31/12/92
173	148	Associated British Foods	UK	[illegible]	451	104	6031.1	7439.9	0.0	453.0	708.8	0.0	16.2	51724 *	30/09/92
174	161	VEW	Ger	[illegible]	221	145	4168.2	4151.9	0.3	265.6	212.3	25.1	6.0 y	8033	31/12/92
175	151	Ladbroke Group	UK	[illegible]	461	98	6355.2	5774.4	10.1	61.2	320.9	-80.9	4.9	52694	31/12/92
176	169	Thomson-CSF	Fra	3211.6	551	103	6033.3	6200.0	-2.8	330.8	464.9	-28.8	15.6 y	42350	31/12/92
177	247	Granada Group	UK	3209.0	461	239	2043.0	2080.7	-1.8	196.6	86.6	126.8	20.7	16385	26/09/92
178	164	Thames Water	UK	3200.7	221	273	1590.6	1371.7	16.0	383.3	360.4	6.3	14.6	10352	31/03/93
179	252	Minorco	Lux	3180.2	641	264	1725.5	1668.0	3.5	257.1	253.4	1.5	8.7	7471	30/06/93
180	197	Siebe	UK	3172.4	591	217	2408.9	2483.2	-0.6	282.3	258.7	9.1	22.1	29544	03/04/93
181	168	Rentokil Group	UK	3161.5	622	341	710.7	593.3	19.8	186.6	144.3	29.3	60.3	15092	31/12/92
182	156	Courtaulds	UK	3169.3	621	184	3163.8	2963.1	6.8	293.9	284.2	3.4	27.8	21600 *	31/03/93
183	241	Holderbank Management	Swi	3143.6	611	114	5533.1	4214.2	31.3	400.4	275.4	45.4	12.6	35245	31/12/92
184	243	Banesto Group	Spa	3139.6	112	0	N/R	N/R	0.0	228.5	471.1	-51.9 a	10.0 y	15927	31/12/92
185	193	Kredietbank	Bel	3098.6	112	0	N/R	N/R	0.0	[illegible]	[illegible]	0.0 a	11.6 y	9689 *	31/12/92
186	204	Den Danske Bank	Den	3068.2	112	0	N/R	N/R	0.0	[illegible]	187.7	0.0	0	13898	31/12/92
187	152	Pechiney International	Fra	3045.0	672	90	6232.4	6587.7	-5.4	470.7	209.4	124.8	20.7	35138 *	31/12/92
188	185	Svenska Cellulosa	Swe	[illegible]	651	153	4013.7	4091.5	-1.9	56.3	153.0	-63.2	10.1	29623	31/12/92
189	303	Royal Insurance Holdings	UK	[illegible]	161	0	N/R	N/R	0.0	-181.5	-568.9	0.0	0	15890 *	31/12/92
190	287	Blue Circle Industries	UK	[illegible]	611	[illegible]	2089.8	1753.2	19.2	143.1	150.4	-4.9	10.5	22188 *	31/12/92
191	160	Scottish & Newcastle	UK	[illegible]	421	228	2309.9	2268.2	1.8	278.4	318.9	-12.7	13.7	28497 *	02/05/93
192	205	Bank of Scotland	UK	[illegible]	112	0	N/R	N/R	0.0	191.1	214.6	-10.9 <	14.3	17160	28/02/93
193	299	MEPC	UK	[illegible]	161	0	N/R	N/R	0.0	167.2	218.6	-23.5	6.7	1047	30/09/92
194	248	Forte	UK	[illegible]	464	148	4150.4	4060.4	2.2	250.2	90.0	178.0	7.4	81000 *	31/01/93
195	177	Isar Amperwerke	Ger	2919.1	221	299	1239.4	1129.9	9.7	63.0	61.3	2.7	3.1	5498	30/06/92
196	187	Severn Trent	UK	2914.6	221	288	1379.8	1253.4	10.1	412.0	417.9	-1.4	13.6	10518 *	31/03/93
197	142	Solvay	Bel	[illegible]	622	82	7310.3	7319.6	-0.1	329.9	[illegible]	-22.2	9.3 y	45350	31/12/92
198	174	North West W[illegible]	UK	[illegible]	221	293	1339.1	1203.6	11.3	[illegible]	[illegible]	7.4	13.9	8061	31/03/93
199	0	Skandinaviska Enskilda Banken	Swe	[illegible]	112	0	N/R	N/R	0.0	[illegible]	[illegible]	0.0	0 y	11610	31/12/92
200	172	Karstadt	Ger	[illegible]	491	54	11416.0	10569.6	8.0	[illegible]	[illegible]	19.7	11.9 y	77560	31/12/92
201	239	Promodes	Fra	2828.6	491	36	14664.4	13472.6	10.3	175.8	154.9	13.5	17.9 y	49238 **	31/12/92
202	206	Guardian Royal Exchange	UK	2818.0	151	0	N/R	N/R	0.0	228.6	85.4	167.9	0	7839	31/12/92
203	165	Novo Nordisk	Den	2806.6	433	270	1613.7	1411.8	14.3	252.9	220.2	14.9	16.6	10180	31/12/92
204	178	United Biscuits (Holdings)	UK	[illegible]	451	136	4756.3	4544.1	4.7	247.6	300.8	-17.7	20.6	38698 **	01/02/93
205	154	CarnaudMetalbox	Fra	[illegible]	671	143	4380.4	4499.0	-2.6	288.4	268.3	7.5	22.8	30850 *	31/12/92
206	260	Creditanstalt-Bankverein	Aus	[illegible]	112	0	N/R	N/R	0.0	161.7	183.2	-17.2	5.8	11471	31/12/92
207	251	Deutsche Lufthansa	Ger	[illegible]	301	60	10638.7	9938.2	7.1	-262.4	-237.0	0.0	1.0	63645	31/12/92
208	210	Rolls-Royce	UK	[illegible]	521	115	5433.2	5361.5	1.3	-280.7	77.8	0.0	0	65000 *	31/12/92
209	226	Credit Local de France	Fra	[illegible]	122	0	N/R	N/R	0.0	317.7	311.0	2.2 a	22.3 y	700	31/12/92
210	277	Cetelem	Fra	[illegible]	112	[illegible]	N/R	N/R	0.0	193.5	158.5	22.1 a	23.4 y	2733	31/12/92
211	181	Accor	Fra	[illegible]	464	121	5200.6	2460.5	0.0	240.3	247.2	0.0	12.6 y	144093 *	31/12/92
212	227	Victoria Holding	Ger	[illegible]	151	0	N/R	N/R	0.0	44.4	60.0	-11.1	0	11953	31/12/92
213	202	Arjo Wiggins Appleton	UK	[illegible]	652	154	4000.3	3793.0	5.5	246.7	353.1	-30.4	13.2	19436	31/12/92
214	[illegible]	Wolseley	UK	[illegible]	611	161	3799.6	2980.5	27.5	184.6	138.8	33.0	24.5	16318	31/07/93
215	[illegible]	Credit Comm de France	Fra	[illegible]	112	0	N/R	N/R	0.0	223.5	222.3	0.5 a	14.3 y	10500	31/12/92
216	[illegible]	Institut Merieux	Fra	[illegible]	433	301	1168.9	1006.6	16.1	182.0	109.3	66.4	27.9 y	7345 *	31/12/92
217	[illegible]	Allied Irish Banks	Ire	[illegible]	112	0	N/R	N/R	0.0	246.6	267.0	0.0 <	23.4	n/a *	31/12/92
218	[illegible]	Navigation Mixte	Fra	[illegible]	171	204	2763.7	3441.5	-19.7	117.7	240.2	-51.0	4.6	27275	31/12/92
219	[illegible]	Banca Commerciale Italiana	Ita	[illegible]	112	0	N/R	N/R	0.0	378.6	381.8	-0.8 a	11.3	22263	31/12/92
220	[illegible]	Warburg S.G. Group	UK	2600.3	121	0	N/R	N/R	0.0	226.1	253.7	-10.8 <	18.8	2995 *	31/03/93
221	[illegible]	Stora	Swe	2579.9	651	109	5856.8	6383.3	-90.1	-169.7	136.6	0.0	4.3	36881	31/12/92
222	[illegible]	Sears	UK	2575.9	492	187	3108.0	3129.0	-0.7	-72.9	34.8	0.0	0	44019 *	31/01/93
223	[illegible]	Svenska Handelsbanken	Swe	2558.7	112	0	N/R	N/R	0.0	-92.4	263.5	0.0	0	7370	31/12/92
224	337	Asda Group	UK	2553.2	493	85	7N/R37.5	6906.3	1.9	216.7	-556.4	0.0	11.7	69288 *	03/05/93
225	203	AGA	Swe	2518.1	621	280	1482.5	1589.6	-6.7	172.0	178.8	-3.8	13.6	14166	31/12/92
226	254	Valeo	Fra	2516.0	571	168	3642.1	3505.4	3.9	147.5	115.6	27.6	13.2 y	26000	31/12/92
227	242	Coats Viyella	UK	2510.1	[illegible]	161	3218.1	[illegible]	[illegible]	166.4	147.5	12.8	17.6	62 *	31/12/92
228	329	Schroders	UK	2451.4	121	0	N/R	N/R	[illegible]	97.6	83.0	17.6 <	17.9	1448 *	31/12/92
229	158	Carlsberg	Den	2438.5	421	[illegible]	[illegible]	1544.7	[illegible]	205.7	186.9	10.1	17.5	13777	30/09/92
230	189	Ahold	Net	2434.2	[illegible]	[illegible]	[illegible]	11057.2	[illegible]	226.7	204.1	11.1	18.6	67542 *	31/12/92
231	464	British Aerospace	UK	2415.1	523	33	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	0.0	0	106500	31/12/92
232	212	TI Group	UK	2412.8	566	261	1753.1	[illegible]	[illegible]	[illegible]	[illegible]	-16.9	29.2	14550	31/12/92
233	211	Williams Holdings	UK	2403.9	591	274	[illegible]	[illegible]	3.4	[illegible]	[illegible]	-4.2	35.9	14636 *	31/12/92
234	0	Roussel-Uclaf	Fra	2397.4	622	211	2613.1	[illegible]	3.2	254.0	147.7	[illegible]	25.7	n/a	31/12/92
235	0	Matra Hachette	Fra	2394.9	171	64	[illegible]	9369.8	[illegible]	[illegible]	-169.4	[illegible]	9.5 y	44394 *	31/12/92
236	208	Anglian Water	UK	2379.1	221	331	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	11.9	5224	31/03/93
237	318	RMC Group	UK	2376.9	611	135	4789.6	[illegible]	[illegible]	254.1	[illegible]	[illegible]	14.3	26307	31/12/92
238	225	Sydkraft	Swe	2366.5	221	313	1024.1	1063.8	-3.7	[illegible]	212.3	[illegible]	14.1	5700	31/12/92
239	237	Bouygues	Fra	2361.8	613	55	11064.9	11351.9	-2.5	212.4	224.6	-5.4	10.4 y	63699	31/12/92
240	198	Kaufhof	Ger	2345.2	491	59	10703.4	9563.8	11.9	241.4	209.2	15.4	17.5	60100	31/12/92
241	223	Societe Gen. de Surveillance	Swi	2337.8	481	262	1746.8	1581.5	10.5	193.6	181.8	6.5	18.7	29564	31/12/92
242	263	Southern Electric	UK	2334.1	221	205	2740.2	2670.2	2.6	285.7	253.7	12.6	27.1	7642	31/03/93
243	295	BICC	UK	2323.5	541	123	6167.6	6265.4	-1.9	117.4	123.6	-4.9	13.3	40116	31/12/92
244	279	Eastern Electricity	UK	2302.7	221	195	2922.2	2864.7	2.0	279.7	218.3	28.2	20.4	8415	31/03/93
245	190	Smith & Nephew	UK	2286.7	431	295	1306.3	1207.6	8.3	235.6	107.2	119.9	29.1	13587 *	31/12/92
246	188	NFC	UK	2272.1	306	209	2629.3	2537.7	3.6	138.8	142.9	-2.9	20.1	33850	09/10/92
247	209	Carlton Communications	UK	2270.3	474	326	969.9	820.6	18.1	156.1	135.5	16.2	2.2	6287	30/09/92
248	290	Berliner Bank	Ger	2258.3	112	0	N/R	[illegible]	0.0	90.3	93.9	-3.9	0	4571	31/12/92
249	258	Scottish Hydro-Electric	UK	2248.3	221	305	[illegible]	1021.4	7.2	223.3	187.2	19.3	17.9	3494	31/03/93
250	224	Burmah Castrol	UK	2236.9	214	167	3640.3	[illegible]	1.5	266.8	199.4	33.8	18.7	22450 *	31/12/92

TWO GIANTS.

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376-500

Footnotes to companies listed on this page

378 Courts, formerly [redacted] (Furnishers)
[redacted] Newman Tonks Group, this year's figures for fourteen months to 31/12/92, last year's figures for twelve months to 31/10/91.
381 Smith New Court, this year's figures for fifty four weeks to 7/5/93.
382 Anglia Television Group, last year's figures for 14 months to 31/12/91.
408 [redacted] Allen Holdings, profit = profit for the year after providing for rebate and taxation. Employees = UK average.
417 Claremont Garments (Holdings), last year's figures for 48 weeks to 28/12/91.
430 Kenwood Appliances, figures are pro-forma as if net proceeds from the placing Jun 92 had been available at the beginning of the period.
[redacted] Hodder Headline, formerly Headline Book Publishing. Acquisition of Hodder and Stoughton Holdings Jun [redacted]. Figures are for Headline Book Publishing.
445 [redacted] (David) Group, stock exchange listing 4/93.
451 Premier [redacted] Oilfields, [redacted] year's figures for 9 months to 31/12/91.
459 Trinity, stock exchange listing 10/92.
461 RJB Mining, stock exchange listing 6/93
[redacted] David Lloyd, stock exchange listing 3/93.
477 RPC Group, stock exchange listing 5/93
483 T & S Stores, this year's figures for 53 weeks to 2/1/93.
484 National Express, stock exchange listing 12/92. Last year's figures for 23 weeks to 31/12/91.
487 Hambro Insurance, stock exchange listing 3/93.
489 Wetherspoon, stock exchange listing 10/92.
491 Inveresk, stock exchange listing 6/93.
492 Guinness Peat Group, stock exchange listing [redacted]. This year's figures for 15 months. Last year's figures for 12 months to 30/9/91.

Ranking 1993	1992	company	[redacted]	Sector	Rank	Turnover This year £m	Last year £m	per cent change	Profit This year £m	last year £m	per cent change	ROCE	employees	Year ending
376	346	Sherwood Group	171.3	412	[redacted]	141.0	[redacted]	[redacted]	[redacted]	14.5	[redacted]	[redacted]	[redacted]	[redacted]
377	309	Raine Industries	170.5	613	[redacted]	[redacted]	[redacted]	22.7	[redacted]	10.0	7.7	8.2	3792	30/06/93
378	446	Courts	170.3	412	[redacted]	[redacted]	[redacted]	21.7	[redacted]	8.1	58.1	11.8	3829	31/03/93
379	347	Newman Tonks Group	168.9	613	232	266.5	222.0	0.0	13.2	15.1	0.0	15.5	6037	31/12/92
380	367	Johnson Group Cleaners	168.5	406	300	160.8	154.6	-2.4	15.8	16.0	-0.9	21.3	8421	31/12/92
381	0	Smith New Court	168.4	122	0	N/R	N/R	0.0	38.7	18.4	0.0	0.0	1199	07/05/93
382	450	Anglia Television Group	166.8	474	310	[redacted]	153.4	0.0	14.5	8.4	0.0	20.7	663	31/12/92
383	282	Macallan-Glenlivet	164.2	424	411	[redacted]	17.4	-3.7	[redacted]	[redacted]	-3.4	[redacted]	63	[redacted]
384	329	Bodycote International	164.0	591	372	[redacted]	[redacted]	20.8	[redacted]	11.5	18.4	[redacted]	1826	31/12/92
385	362	Automated Security (Holdings)	161.7	541	284	173.2	193.7	[redacted]	[redacted]	3.3	1253.7	[redacted]	[redacted]	30/11/92
386	371	Mucklow (A. & J.) Group	160.1	161	0	N/R	N/R	0.0	[redacted]	[redacted]	[redacted]	7.8	30	30/06/93
387	387	Molins	158.8	566	[redacted]	161.0	[redacted]	[redacted]	[redacted]	14.2	[redacted]	[redacted]	2791	31/12/92
388	404	Macfarlane Group	158.8	672	353	87.0	82.7	5.2	10.2	[redacted]	[redacted]	28.4	[redacted]	[redacted]
389	441	Cattle's Holdings	157.1	122	0	N/R	N/R	0.0	12.4	[redacted]	[redacted]	10.9	[redacted]	[redacted]
390	358	Hogg Robinson	156.4	306	[redacted]	172.7	154.2	12.0	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	31/03/93
391	380	Logica	155.7	551	[redacted]	[redacted]	182.9	7.5	9.0	7.1	27.8	17.1	3443	30/06/93
392	472	Capital Radio	155.6	464	[redacted]	[redacted]	32.5	-0.8	8.8	9.8	-10.2	37.2	216	30/09/92
393	0	Carpetright	155.1	412	[redacted]	78.6	[redacted]	47.1	[redacted]	[redacted]	178.4	[redacted]	[redacted]	01/05/93
394	339	Bullough	153.6	591	230	[redacted]	292.6	-5.3	[redacted]	[redacted]	-59.0	9.8	5206	31/10/92
395	373	Macro 4	153.4	482	[redacted]	[redacted]	19.0	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	211	30/06/93
396	453	Singer & Friedlander Group	152.1	121	0	N/R	N/R	0.0	[redacted]	15.5	-60.9	5.9	246	31/12/92
397	0	Carclo Engineering	151.4	566	367	84.4	78.8	7.2	[redacted]	5.6	55.5	17.7	1817	31/03/93
398	0	Sheffield Insulation Group	151.3	611	315	133.5	132.1	1.1	2.9	1.5	95.6	15.4	824	31/12/92
399	0	First National Finance	148.5	122	0	N/R	N/R	0.0	-31.9	-33.7	0.0	0.0	1382	31/10/92
400	0	Burford Holdings	146.7	161	415	[redacted]	[redacted]	6.0	0.1	0.7	[redacted]	6.1	24	31/12/92
401	0	Cathay International Holdings	145.0	161	0	N/R	N/R	0.0	[redacted]	[redacted]	[redacted]	3.0	41	31/03/93
402	388	Allied Textile Companies	144.6	412	321	129.1	112.2	15.1	12.7	13.2	-3.5	18.6	2368	30/09/92
403	454	Adwest Group	143.7	561	312	137.4	127.1	8.0	9.4	7.0	[redacted]	[redacted]	2321	30/06/93
404	393	British Polythene Industries	142.6	672	282	177.2	156.1	13.5	12.1	10.3	17.6	20.5	2132	31/12/92
405	370	Leigh Interests	140.7	406	342	109.2	118.9	-8.2	9.5	14.1	-32.7	12.2	1814	31/03/93
406	385	Rotork	140.7	552	[redacted]	57.1	51.5	11.0	[redacted]	9.5	[redacted]	[redacted]	584	31/12/92
407	432	Evans of Leeds	140.6	161	0	N/R	N/R	0.0	8.8	8.5	3.1	9.5	54	[redacted]03/93
408	445	*Cater Allen Holdings*	139.7	121	0	N/R	N/R	0.0	11.7	8.1	44.9	16.5	279	[redacted]04/93
409	310	British Bio-technology Group	138.9	433	416	3.8	[redacted]	[redacted]	[redacted]	-8.1	0.0	0.0	236	30/04/92
410	0	ASW Holdings	138.5	633	199	[redacted]	390.7	-5.9	-10.8	2.3	0.0	0.0	[redacted]	31/12/92
411	410	Cope	138.2	611	244	[redacted]	202.9	20.9	11.9	12.4	-4.3	16.5	[redacted]	31/03/93
412	386	Mansfield Brewery	138.1	421	331	117.7	114.5	[redacted]	12.5	11.0	[redacted]	9.6	[redacted]	27/03/93
413	328	Scholl	137.3	492	299	161.3	144.4	4.8	16.1	16.1	0.0	[redacted]	[redacted]	31/12/92
414	413	Avon Rubber	137.1	574	252	[redacted]	227.2	2.2	9.4	1.0	[redacted]	[redacted]	[redacted]	03/10/92
415	337	Huntingdon International	135.9	591	301	[redacted]	123.1	21.6	[redacted]	16.9	-14.9	17.3	[redacted]	30/09/92
416	414	Oxford Instruments Group	135.3	552	[redacted]	101.1	103.3	-2.2	10.6	8.6	[redacted]	[redacted]	[redacted]	28/03/93
417	395	Claremont Garments (Holdings)	134.3	412	[redacted]	[redacted]	47.8	[redacted]	8.5	6.2	0.0	54.2	[redacted]	26/12/92
418	468	*Serco*	132.1	552	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	5.3	37.2	38.0	5838	31/12/92
419	497	Wace Group	131.4	471	217	[redacted]	[redacted]	4.0	[redacted]	[redacted]	[redacted]	0.0	[redacted]	31/12/92
420	356	Bespak	131.1	433	384	61.8	[redacted]	[redacted]	11.5	[redacted]	[redacted]	[redacted]	890	30/04/93
421	331	Renishaw	131.0	561	395	48.0	44.0	[redacted]	7.1	9.1	-21.4	[redacted]	[redacted]	30/06/93
422	0	Dawsongroup	130.5	304	397	46.7	43.7	6.8	[redacted]	1.1	319.8	18.3	361	31/12/92
423	473	Berisford International	128.3	451	319	130.5	694.2	-81.2	-22.3	-20.5	0.0	0.0	909	30/09/92
424	465	Control Techniques	128.3	552	360	88.0	[redacted]	[redacted]	6.2	4.2	49.7	21.9	[redacted]	30/09/92
425	460	Town Centre Securities	128.3	161	0	[redacted]	N/R	0.0	[redacted]	7.2	10.9	8.0	[redacted]	30/06/93
426	456	Marshalls	128.2	611	[redacted]	[redacted]	174.4	-2.8	[redacted]	[redacted]	[redacted]	11.6	2453	31/03/93
427	352	Victaulic	126.7	566	351	101.2	114.8	-11.8	13.5	14.3	[redacted]	31.5	1366	31/12/92
428	479	Huntleigh Technology	126.7	566	405	28.4	21.0	[redacted]	6.5	[redacted]	137.4	55.3	459	31/12/92
429	491	Black (Peter) Holdings	125.5	406	[redacted]	[redacted]	[redacted]	8.2	[redacted]	6.5	[redacted]	26.6	2476	05/06/93
430	429	Kenwood Appliances	125.4	402	[redacted]	101.6	92.1	10.4	9.6	9.3	3.6	30.4	1711	31/03/93
431	407	Proteus International	123.9	433	[redacted]				-3.5	-2.4	0.0	0.0	42	31/03/93
432	392	Owners Abroad Group	123.2	406	137	772.0	643.6	[redacted]	[redacted]	[redacted]	-19.2	[redacted]	2932	31/10/92
433	0	Hodder Headline	123.1	472	412	[redacted]	11.3	[redacted]	[redacted]	1.2	[redacted]	[redacted]	118	31/12/92
434	419	Park Food Group	121.5	493	[redacted]	116.1	119.5	[redacted]	10.3	7.7	[redacted]	161.9	423	31/03/93
435	463	Manders	121.3	621	339	110.3	101.6	8.5	9.0	6.0	50.4	[redacted]	[redacted]	31/12/92
436	417	Brammer	121.2	591	327	122.6	111.5	10.0	[redacted]	9.2	-10.2	19.0	1147	31/12/92
437	440	Warner Estate Holdings	121.0	161	0	N/R	N/R	0.0	[redacted]	7.6	-2.1	[redacted]	84	30/09/92
438	0	McAlpine (Alfred)	120.9	613	164	660.7	620.6	-9.7	[redacted]	9.3	-61.8	5.2	5289	31/10/92
439	396	M. R. Data Management	120.6	551	400	40.8	33.7	21.0	[redacted]	8.2	6.5	43.2	1035	30/06/93
440	478	Mowlem (John)	120.4	613	[redacted]	[redacted]	[redacted]	-10.2	-27.2	-4.3	[redacted]	0.0	[redacted]	31/12/92
441	0	Volex Group	120.4	541	347	[redacted]	81.6	[redacted]	7.3	3.7	[redacted]	[redacted]	3629	31/03/93
442	416	BSS Group	120.0	566	245	243.7	209.2	[redacted]	6.5	10.0	-34.7	12.3	1721	31/03/93
443	382	Domino Printing Sciences	120.0	471	379	71.6	[redacted]	[redacted]	11.9	9.0	32.3	22.9	820	31/10/92
444	400	Concentric	119.1	566	337	113.0	112.9	0.1	8.3	4.2	95.4	24.7	1953	30/09/92
445	0	Brown (David) Group	118.9	561	371	61.0	60.5	0.6	9.3	[redacted]	12.3	65.3	1359	29/01/93
446	0	Wates City of London Prop	118.8	161	0	N/R	N/R	0.0	-74.9	[redacted]	0.0	0.0	24	31/12/92
447	391	Graseby	118.0	551	[redacted]	[redacted]	109.1	[redacted]	[redacted]	7.5	[redacted]	6.3	1670	31/12/92
448	427	Watson & Philip	117.6	493	[redacted]	[redacted]	[redacted]	6.6	[redacted]	11.8	-12.5	26.0	[redacted]	30/10/92
449	487	Menvier-Swain	117.1	552	388	56.8	42.3	34.4	7.6	[redacted]	28.6	[redacted]	1122	30/04/93
450	459	Yorkshire-Tynes TV Holdings	117.0	474	[redacted]	210.1	191.4	9.8	16.1	13.1	23.1	32.2	1067	30/09/92
451	428	Premier Consolidated Oilfields	116.0	213	390	56.0	32.0	0.0	16.8	9.6	0.0	12.1	156	31/12/92
452	443	Time Products	116.0	495	394	49.6	51.1	-2.8	9.3	7.6	21.5	16.5	[redacted]	31/01/93
453	483	Domestic & General	115.3	151	0	N/R	N/R	[redacted]	7.7	6.2	24.1	0.0	355	30/06/93
454	390	Blick	115.1	552	[redacted]	[redacted]	23.8	28.9	[redacted]	6.3	35.8	64.8	[redacted]	30/09/92
455	0	Mayflower Corporation	114.9	401	380	67.8	27.4	147.1	1.7	1.1	59.8	[redacted]	[redacted]	31/12/92
456	436	Morland	114.4	421	[redacted]	[redacted]	33.7	21.4	7.6	5.9	28.5	[redacted]	[redacted]	30/09/92
457	490	Lowndes Lambert Group	113.8	142	0	N/R	N/R	0.0	10.3	9.3	11.1	0.0	1245	31/03/93
458	389	Wardle Storeys	113.8	622	374	77.9	[redacted]	1.7	[redacted]	9.2	-13.0	15.7	[redacted]	31/08/93
459	0	Trinity	113.1	401	340	[redacted]	[redacted]	33.0	7.1	3.4	[redacted]	[redacted]	1185	31/01/93
460	341	Plysu	112.5	622	364	86.4	66.0	30.9	10.8	9.5	14.1	30.2	[redacted]	31/03/93
461	0	RJB Mining	111.9	632	[redacted]	[redacted]	77.4	-4.6	11.0	11.0	0.0	[redacted]	883	31/12/92
462	409	Lamont Holdings	111.0	412	334	115.5	109.1	5.9	6.3	8.1	-22.3	13.5	1699	31/12/92
463	408	Whatman	110.8	566	[redacted]	[redacted]	[redacted]	[redacted]	10.0	9.2	8.7	[redacted]	860	31/12/92
464	0	Forth Ports	110.4	306	403	32.4	32.4	0.0	10.9	8.2	32.5	17.3	580	31/12/92
465	0	Westbury	110.3	614	316	132.7	131.8	0.7	-2.2	-15.1	0.0	0.2	412	28/02/93
466	439	Ferguson International Hldgs	109.7	652	322	[redacted]	121.3	6.3	[redacted]	[redacted]	[redacted]	31.2	2029	28/02/93
467	424	Hogg Group	109.4	142	0	N/R	N/R	0.0	13.4	16.8	-20.2	0.0	2771	31/12/92
468	0	Perkins Foods	109.2	451	202	[redacted]	260.1	36.0	22.0	[redacted]	-9.1	36.3	1980	31/12/92
469	448	Triplex Lloyd	109.1	563	[redacted]	[redacted]	167.2	[redacted]	7.1	7.1	[redacted]	14.0	3679	31/03/93
[redacted]	0	More O'Ferrall	107.9	475	408	[redacted]	[redacted]	-3.2	5.0	[redacted]	-13.2	15.0	629	31/12/92
471	0	Countryside Properties	107.6	161	0	N/R	N/R	0.0	-11.7	[redacted]	[redacted]	[redacted]	314	30/09/92
472	[redacted]74	South [redacted] Water	106.4	221	[redacted]	[redacted]	[redacted]	7.0	[redacted]	8.7	18.1	25.3	705	31/03/93
[redacted]	0	Dewhirst Group	103.6	412	[redacted]	[redacted]	130.5	[redacted]	6.5	4.1	[redacted]	17.8	6621	15/01/93
474	496	Stanley Leisure	103.5	461	[redacted]	[redacted]	[redacted]	7.4	6.1	7.6	3.0	9.8	3134	02/05/93
475	378	Thorntons	103.2	451	[redacted]	[redacted]	[redacted]	9.7	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	25/06/93
476	0	David Lloyd	103.2	461	413	15.6	7.5	108.3	[redacted]	[redacted]	[redacted]	16.4	501	30/09/93
477	0	RPC Group	100.8	621	[redacted]	63.7	[redacted]	10.2	[redacted]	4.3	[redacted]	[redacted]	1131	31/03/93
[redacted]	0	Matthews (Bernard)	100.5	451	[redacted]	144.2	[redacted]	[redacted]	3.3	13.2	-74.7	6.2	2478	03/01/93
[redacted]	0	Scottish Metropolitan Property	100.0	161	0	N/R	[redacted]	0.0	[redacted]	-8.4	[redacted]	[redacted]	[redacted]	16/08/92
[redacted]	477	Pendragon	99.7	495	251	[redacted]	[redacted]	27.5	6.2	4.7	10.6	20.9	1144	31/12/92
481	466	Halstead (James) Group	99.3	412	386	59.4	58.9	0.7	8.7	[redacted]	126.6	32.6	771	30/06/93
[redacted]	0	Bemrose Corporation	98.6	471	393	[redacted]	[redacted]	[redacted]	6.3	5.1	23.7	27.7	961	02/01/93
483	385	T & S [redacted]	97.9	493	205	[redacted]	314.2	[redacted]	[redacted]	13.4	-6.2	37.3	2960	02/01/93
484	0	National Express	96.7	304	[redacted]	120.6	[redacted]	[redacted]	[redacted]	4.1	[redacted]	[redacted]	1110	[redacted]
485	433	Metalrax Group	96.4	671	385	[redacted]	[redacted]	-4.6	[redacted]	[redacted]	1.3	28.3	[redacted]	31/12/92
486	467	Dobson Park Industries	96.3	591	264	[redacted]	[redacted]	-10.4	[redacted]	13.1	-21.0	[redacted]	[redacted]	03/10/92
[redacted]	0	*Hambro Insurance*	96.2	151	0	N/R	[redacted]	[redacted]	4.6	6.1	-43.2	0.0	872	[redacted]
488	0	Leeds Group	95.9	412	398	[redacted]	31.4	[redacted]	5.5	4.1	34.6	31.6	880	30/09/92
[redacted]	0	Wetherspoon	94.8	421	410	21.4	13.2	62.1	[redacted]	1.1	89.3	[redacted]	[redacted]	31/07/92
[redacted]	458	Transfer Technology Group	94.1	552	345	[redacted]	[redacted]	[redacted]	9.4	5.5	71.5	63.7	1695	31/12/92
491	0	[redacted]	94.1	651	361	87.9	91.4	-3.9	5.8	5.5	5.0	14.3	[redacted]	28/11/92
[redacted]	0	[redacted] Peat Group	93.4	122	0	N/R	N/R	0.0	7.8	-27.4	0.0	19.3	[redacted]	31/12/92
493	0	Chesterfield Properties	93.4	161	0	[redacted]	N/R	[redacted]	7.7	[redacted]	15.1	[redacted]	399	31/12/92
494	431	Grampian Holdings	93.3	591	303	145.3	142.8	1.7	11.3	11.2	1.7	24.7	2612	31/12/92
495	457	Trade Indemnity Group	93.2	122	0	N/R	N/R	0.0	-4.9	-46.6	0.0	[redacted]	[redacted]	31/12/92
496	360	Low (William)	92.9	493	187	420.1	384.0	9.4	20.6	[redacted]	-12.5	12.5	8950	05/09/92
[redacted]	492	*Gleeson (M.J.)*	92.9	613	[redacted]	[redacted]	[redacted]	-8.1	9.8	11.8	-16.1	13.6	1678	30/06/92
[redacted]	434	Sage Group	92.3	482	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	6.6	[redacted]	198.4	357	30/09/92
499	0	Lep Group	92.2	482	201	[redacted]	[redacted]	-11.0	[redacted]	[redacted]	[redacted]	5.5	[redacted]	31/12/92
500	0	Edinburgh Fund Managers	91.5	122	414	11.1	9.3	19.6	5.0	4.8	4.5	< 31.8	116	31/01/93

THE FT500

Ranking 1993	1992	company	[redacted]	[redacted]	[redacted]	Rank	Turnover This year $m	Last year $m	per cent change	Profit This year $m	last year $m	[redacted] change	ROCE	employees	Year ending
251	238	Caradon Group	UK	[redacted]	171	314	[redacted]	1036.0	-2.2	[redacted]	[redacted]	18.1	[redacted]	10290	31/12/92
252	391	Skanska	Swe	2231.6	[redacted]	170	[redacted]	[redacted]	-10.1	-506.7	[redacted]	0.0	0	28646	31/12/92
253	195	Electrolux	Swe	2227.9	[redacted]	63	[redacted]	[redacted]	1.8	126.9	[redacted]	-1.5	9.5	121148	31/12/92
254	196	Investor	Swe	2212.9	131	144	4326.9	4808.7	-10.0	185.1	270.4	-31.5	2.8	n/a	31/12/92
255	387	Repola	Fin	2200.4	591	150	4110.7	3854.3	6.7	-156.1	-308.1	0.0	5.1 y	26956	31/12/92
256	261	Credito Italiano	Ita	[redacted]	112	0	N/R	N/R	0.0	318.4	[redacted]	-13.2	< 35.8 y	16011	31/12/92
257	249	Groupe Bruxelles Lambert	Bel	[redacted]	171	0	N/R	N/R	0.0	251.9	[redacted]	-16.6	8.8	n/a	31/12/92
258	179	Northern Foods	[redacted]	2162.4	451	[redacted]	3090.5	[redacted]	40.3	[redacted]	[redacted]	[redacted]	51.4	20219	31/03/93
259	275	Badenwerk	Ger	2148.7	221	280	1782.5	1767.6	[redacted]	141.1	[redacted]	189.1	+ [redacted]	4104	31/12/92
260	200	Gas Natural	Spa	[redacted]	[redacted]	334	770.8	[redacted]	16.9	130.3	109.1	[redacted]	13.1 y	3244	31/12/92
261	232	Man	Ger	2137.0	568	50	11831.0	11744.7	0.7	[redacted]	500.5	-14.2	7.0	64292	30/06/92
262	228	Synthelabo	Fra	[redacted]	[redacted]	[redacted]	1115.5	609.6	0.0	113.7	41.9	0.0	+ 19.1 y	6788	31/12/92
263	255	BHF Bank	Ger	[redacted]	112	0	N/R	N/R	0.0	167.1	149.6	11.7	a 13.6 y	3216	31/12/92
264	191	Centros Comerciales Pryca	Spa	[redacted]	493	174	3368.9	2792.9	20.6	137.0	109.5	25.1	31.4	13200	31/12/92
265	273	Credit Foncier de France	Fra	[redacted]	121	0	[redacted]	N/R	0.0	89.6	151.1	-40.7	a 8.1 y	3378	31/12/92
266	281	Bancaire (Compagnie)	[redacted]	[redacted]	121	0	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	-42.5	[redacted] 6.0 y	8832	31/12/92
267	199	Banque Bruxelles Lambert	[redacted]	[redacted]	112	0	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	0.0	[redacted] 6.1 y	14940	31/12/92
268	335	BPB Industries	UK	[redacted]	611	265	[redacted]	[redacted]	10.1	87.7	57.7	[redacted]	9.9	12152	31/03/93
269	220	Tate & Lyle	UK	[redacted]	451	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	-17.9	17.1	17004	26/09/92
270	0	Fondiaria	Ita	2022.8	151	0	N/R	N/R	[redacted]	[redacted]	0.1	[redacted]	0 y	5625	31/12/92
271	284	Powerfin	Bel	[redacted]	[redacted]	0	N/R	N/R	0.0	[redacted]	231.1	1.4	13.7	n/a	31/12/92
272	439	Tarmac	UK	[redacted]	[redacted]	140	4476.7	4919.3	-9.0	[redacted]	32.0	0.0	0	28590	31/12/92
273	270	Autopistas	[redacted]	[redacted]	304	357	331.8	309.0	7.4	182.6	155.1	17.7	13.5	1044	[redacted]
274	311	United Newspapers	[redacted]	[redacted]	473	297	1268.3	1249.5	1.5	167.8	74.5	125.2	29.2	11882	[redacted]
275	291	Harrisons & Crosfield	UK	2006.2	512	[redacted]	[redacted]	[redacted]	5.9	129.7	106.6	[redacted]	14.3	32177	[redacted]
276	217	De La Rue	UK	2003.7	472	[redacted]	853.4	633.6	34.7	[redacted]	[redacted]	[redacted]	29.2	8599	31/03/93
277	233	Royale Belge	Bel	[redacted]	151	0	N/R	N/R	0.0	165.8	138.3	12.7	0 y	4212	[redacted]
278	289	Heidelberger Zement	Ger	1984.7	611	252	1863.5	1503.8	23.3	140.8	104.6	34.6	12.6	9709	31/12/92
279	307	Redoute (La)	Fra	[redacted]	[redacted]	179	3243.4	3067.8	5.7	134.4	107.9	24.6	43.1	16396	[redacted]
280	246	Metallgesellschaft	Ger	[redacted]	[redacted]	29	15772.4	13071.1	20.7	151.3	195.2	-22.5	11.0 y	62547	[redacted]
281	240	Beiersdorf	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	2769.9	1.4	194.1	180.1	7.7	15.6 y	17599	31/12/92
282	236	Electrafina	Bel	1929.7	221	0	N/R	N/R	0.0	[redacted]	147.7	-45.1	5.6	n/a	31/12/92
283	235	English China Clays	UK	1905.2	631	281	1473.9	1482.3	-0.6	[redacted]	120.5	26.8	11.6	7790	31/12/92
284	306	Laporte	UK	1895.5	622	332	[redacted]	[redacted]	23.0	132.1	147.0	-10.2	21.0	5360	[redacted]
285	268	Incentive	Swe	1893.5	541	282	1470.1	1692.9	-13.2	159.5	145.6	9.5	12.0	[redacted]	[redacted]
286	288	Rheinelektra	Ger	1892.1	541	352	458.1	421.7	8.6	52.7	45.0	17.1	15.5	[redacted]	[redacted]
287	304	London Electricity	UK	[redacted]	[redacted]	[redacted]	2085.1	2054.8	1.5	222.7	218.1	[redacted]	[redacted]	6258	[redacted]
288	315	Suedzucker	[redacted]	1882.1	451	[redacted]	[redacted]	[redacted]	6.4	[redacted]	[redacted]	-31.0	11.7	10985	28/02/93
289	309	Degussa	[redacted]	1874.7	622	79	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	11.6	9.1 y	[redacted]	30/09/92
290	350	Alusuisse-Lonza Holding	[redacted]	[redacted]	634	[redacted]	[redacted]	4471.1	[redacted]	103.1	[redacted]	24.8	6.6	25848	[redacted]
291	271	BET	[redacted]	[redacted]	171	177	[redacted]	[redacted]	-7.2	-14.9	[redacted]	0.0	[redacted]	101408	27/03/93
292	274	GKN	UK	[redacted]	571	[redacted]	[redacted]	[redacted]	3.5	[redacted]	104.8	[redacted]	15.7	29495	[redacted]
293	308	Midlands Electricity	UK	[redacted]	221	224	2344.3	2218.0	[redacted]	[redacted]	[redacted]	17.6	23.1	7276	[redacted]
294	298	Yorkshire Electricity	UK	1843.6	221	240	2021.0	[redacted]	-1.3	[redacted]	216.4	10.1	27.2	6850	[redacted]
295	265	TF1	Fra	[redacted]	474	[redacted]	1311.5	[redacted]	[redacted]	[redacted]	[redacted]	10.6	41.6	1573	[redacted]
296	421	Mercury Asset Management	UK	[redacted]	[redacted]	0	N/R	N/R	0.0	125.5	[redacted]	[redacted]	51.3	624	31/03/93
297	222	Smith (W.H.) Group	UK	1825.9	495	171	[redacted]	[redacted]	[redacted]	[redacted]	164.9	[redacted]	23.6	30088	[redacted]
298	0	Bols Wessanen	Net	1816.7	451	[redacted]	[redacted]	[redacted]	-4.3	104.8	94.7	10.7	21.2	6572	31/12/92
299	368	Bank of Ireland	Ire	[redacted]	112	[redacted]	N/R	N/R	0.0	[redacted]	101.0	[redacted]	a 10.1	12130	[redacted]
300	194	Hafslund Nycomed	Nor	[redacted]	[redacted]	[redacted]	732.9	697.1	5.1	[redacted]	[redacted]	10.9	22.4 y	[redacted]	[redacted]
301	0	Nokia	Fin	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	17.5	-17.1	68.9	0.0	[redacted]	26770	31/12/92
302	257	Christian Dior	Fra	[redacted]	[redacted]	[redacted]	[redacted]	4005.2	-1.3	[redacted]	[redacted]	[redacted]	22.0	16114	31/12/92
303	0	Pinault-Printemps	Fra	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	14.7 y	53914	31/12/92
304	272	IFINT	Lux	[redacted]	121	0	N/R	[redacted]	[redacted]	114.8	[redacted]	12.5	a [redacted]	n/a	31/12/91
305	316	East Midlands Electricity	UK	[redacted]	221	[redacted]	[redacted]	[redacted]	1.7	[redacted]	[redacted]	3.4	23.6	[redacted]	31/03/93
306	276	Legrand	Fra	[redacted]	541	[redacted]	[redacted]	[redacted]	3.0	171.3	[redacted]	-8.1	20.0 y	[redacted]	31/12/92
307	184	Euro Disney	Fra	1781.5	[redacted]	[redacted]	1493.0	[redacted]	[redacted]	[redacted]	69.9	0.0	0	16177	30/09/92
308	357	Pilkington	UK	1776.5	611	167	[redacted]	[redacted]	-1.5	[redacted]	[redacted]	-57.5	5.8	34400	[redacted]
309	417	SAI	Ita	[redacted]	151	[redacted]	N/R	N/R	0.0	[redacted]	[redacted]	18.5	0	2701	[redacted]
310	283	Holzmann (Philipp)	Ger	1751.0	613	97	[redacted]	[redacted]	30.5	[redacted]	73.1	[redacted]	11.5	43680	31/12/92
311	215	Fisons	UK	[redacted]	[redacted]	[redacted]	[redacted]	1891.2	3.6	188.5	248.0	-24.0	27.8	14477	31/12/92
312	440	Fomento de Construcciones	Spa	[redacted]	611	194	[redacted]	2790.1	4.9	[redacted]	171.8	-1.5	13.3	31653	31/12/92
313	0	*British Land*	UK	1739.1	161	0	N/R	N/R	0.0	82.8	50.8	3.8	8	210	[redacted]
314	339	Berendsen (Sophus)	Dan	1723.0	461	303	1119.6	1074.3	4.2	174.0	146.7	18.6	34.4	19300	[redacted]
315	365	Pollet	Fra	1722.7	611	172	3495.3	3480.7	0.4	[redacted]	[redacted]	-15.9	14.9	18212	[redacted]
316	301	Worms et Cie	Fra	1700.7	171	0	[redacted]	N/R	0.0	109.2	193.0	-43.4	[redacted]	37334	[redacted]
317	292	Atlas Copco	Swe	1694.8	566	[redacted]	[redacted]	1877.1	6.5	128.3	113.4	13.1	15.3	19195	31/12/92
318	245	Smurfit, Jefferson	Ire	[redacted]	652	254	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	10.7	17341	31/01/93
319	0	Trafalgar House	UK	[redacted]	171	[redacted]	[redacted]	4684.7	21.8	[redacted]	-58.7	0.0	2.2	39697	27/03/93
320	284	Dalgety	UK	1686.0	451	[redacted]	6616.6	6074.4	12.3	171.1	170.2	0.5	27.0	18417	30/06/93
321	403	Hillsdown Holdings	UK	1679.6	451	[redacted]	6670.2	7102.8	-6.1	235.1	284.9	-17.5	13.5	44196	31/12/92
322	0	Thuega	Ger	1668.7	221	360	[redacted]	148.6	2.6	66.0	[redacted]	[redacted]	10.7	[redacted]	[redacted]
323	267	Bilfinger & Berger	Ger	[redacted]	[redacted]	197	[redacted]	2194.7	32.0	[redacted]	72.1	[redacted]	[redacted]	[redacted]	[redacted]
324	360	Italgas	Ita	[redacted]	[redacted]	232	2165.0	2136.9	0.8	112.7	115.5	-2.4	8.3 y	10158	[redacted]
325	221	Lasmo	UK	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	121.0	-398.1	10.7	[redacted]	0	1717	[redacted]
326	371	Cookson Group	UK	1656.5	621	250	1887.8	1990.1	-5.2	110.6	-12.1	0.0	13.2	13221	31/12/92
327	176	Delhaize	Bel	[redacted]	[redacted]	65	9384.3	8300.1	5.4	390.4	387.9	0.6	28.2 y	76000	[redacted]
328	278	SKF	Swe	1649.4	566	176	3328.3	3284.9	1.3	-221.9	-27.6	0.0	0 y	45151	[redacted]
329	372	Asko Deutsche Kaufhaus	Ger	1647.7	491	70	8909.1	[redacted]	-10.7	-257.1	[redacted]	0.0	0.5	68854	30/09/92
330	341	Casino	Fra	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	116.7	[redacted]	11.6	17.5	52626	31/12/92
331	294	Smiths Industries	UK	1646.0	568	319	989.0	999.6	-3.1	155.9	167.5	[redacted]	23.6	11676	[redacted]
332	394	Saint-Louis Group	Fra	[redacted]	451	100	[redacted]	6201.6	0.3	375.1	482.5	[redacted]	17.4	28016	31/12/92
333	285	Yorkshire Water	UK	[redacted]	221	336	734.6	673.0	9.2	211.4	189.0	11.9	[redacted]	4740	[redacted]/93
334	319	Sulzer	Swi	1616.3	563	134	4802.3	4593.3	4.6	124.3	85.4	45.5	6.5 y	31073	31/12/92
335	219	Deutsche SB-Kauf	Ger	1611.7	493	225	[redacted]	2944.8	0.0	69.0	73.1	0.0	[redacted]	22626	30/09/92
336	365	Lucas Industries	UK	[redacted]	571	164	[redacted]	[redacted]	8.1	76.7	34.3	123.6	[redacted]	45709	31/07/93
337	280	OeMV	Aus	[redacted]	212	83	7270.1	[redacted]	-0.1	[redacted]	[redacted]	[redacted]	1.1	13233	31/12/92
338	328	Electrowatt	Swi	[redacted]	561	178	[redacted]	[redacted]	1.6	[redacted]	[redacted]	-12.5	8.3	17896	31/12/92
339	407	Castorama Dubois	Fra	[redacted]	[redacted]	[redacted]	1816.7	1543.9	17.7	[redacted]	76.5	15.7	[redacted]	11298	31/12/92
340	0	Krupp, Fried AG H-K	Ger	[redacted]	633	39	14290.9	15577.0	[redacted]	[redacted]	266.6	0.0	[redacted]	95585	31/12/92
341	392	CRH	Ire	1585.8	611	271	1601.0	[redacted]	[redacted]	[redacted]	89.9	-8.0	10.4	10552	31/12/92
342	310	Salvesen (Christian)	UK	1583.2	302	330	[redacted]	700.1	6.0	115.8	70.6	[redacted]	21.1	11098	31/03/93
343	322	Baloise Holding	Swi	[redacted]	151	0	N/R	N/R	0.0	[redacted]	[redacted]	10.0	0 y	10335	30/04/93
344	496	Burton Group	UK	[redacted]	491	[redacted]	[redacted]	[redacted]	6.2	[redacted]	[redacted]	0.0	4.2	35964	29/08/92
345	414	Orkla	Nor	[redacted]	591	221	2376.0	2280.7	4.2	[redacted]	[redacted]	[redacted]	9.6 y	[redacted]	31/12/92
346	313	Dixons Group	UK	[redacted]	[redacted]	101	[redacted]	2847.8	6.4	[redacted]	[redacted]	[redacted]	[redacted]	14523	01/05/93
347	344	Argos	UK	[redacted]	495	276	[redacted]	1413.4	8.3	80.7	94.7	-14.8	25.5	12056	31/12/92
348	356	Pirelli Spa	Ita	[redacted]	574	[redacted]	[redacted]	6389.9	-17.7	-66.9	[redacted]	0.0	[redacted]	45726	31/12/92
349	334	Hays	UK	[redacted]	481	339	727.8	[redacted]	25.7	101.6	84.8	[redacted]	[redacted]	6540	30/06/93
350	338	NORWEB	UK	1549.2	221	[redacted]	[redacted]	2010.4	7.2	239.6	[redacted]	13.9	[redacted]	7977	31/03/93
351	286	Cap Gemini Sogeti	Fra	[redacted]	551	235	[redacted]	[redacted]	18.5	17.4	131.7	[redacted]	4.0 y	[redacted]	31/12/92
352	266	*Kwik Save Group*	UK	1541.3	[redacted]	169	[redacted]	[redacted]	29.9	168.7	155.1	8.8	44.4	14843	29/08/92
353	293	Wuerttembergische AG Versich	Ger	1538.3	151	0	N/R	N/R	0.0	[redacted]	68.9	[redacted]	[redacted]	5361	31/12/92
354	419	Leu Holding	Swi	1534.4	112	0	N/R	N/R	0.0	89.7	84.7	5.8	a 7.7	2147	31/12/92
355	395	Kvaerner	Nor	[redacted]	[redacted]	202	[redacted]	2630.1	7.5	131.8	155.9	-15.5	12.8 y	23011	31/12/92
356	214	Compania Espanola de Pet.	Spa	[redacted]	[redacted]	151	[redacted]	[redacted]	17.1	112.3	[redacted]	-15.4	10.6 y	9205	31/12/92
357	382	Volksfuersorge	Ger	[redacted]	151	0	N/R	N/R	0.0	121.1	[redacted]	-7.9	0	7303	31/12/92
358	401	Safra Republic Holdings	Lux	[redacted]	112	0	[redacted]	[redacted]	[redacted]	86.3	73.3	17.7	a [redacted]	n/a	31/12/91
359	429	Toro (Assicurazioni)	Ita	1491.6	151	0	N/R	N/R	[redacted]	116.5	107.0	8.9	0	2190	31/12/92
360	449	Transatlantic Holdings	UK	[redacted]	122	0	[redacted]	N/R	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	31/12/92
361	361	Cimenteries CBR	Bel	[redacted]	611	[redacted]	1350.5	1331.9	1.4	131.2	147.4	-11.0	[redacted]	9069	31/12/92
362	0	*Slough Estates*	UK	1478.2	161	0	N/R	N/R	0.0	[redacted]	[redacted]	59.2	[redacted]	412	31/12/92
363	0	Olivetti	Ita	1477.5	534	[redacted]	5115.2	5486.0	[redacted]	[redacted]	-252.1	-41.4	0 y	40401	31/12/92
364	398	Gemina	Ita	1476.4	131	0	N/R	N/R	0.0	105.1	128.3	-18.0	a 12.2	n/a	30/06/92
365	0	KNP BT	Net	1476.0	652	96	[redacted]	6322.7	2.2	110.5	353.9	[redacted]	10.1	[redacted]	31/12/92
366	0	Chubb Security	UK	[redacted]	[redacted]	311	1028.7	1020.4	0.8	97.9	59.6	64.3	[redacted]	19930	31/03/93
367	373	Daily Mail and General Trust	UK	[redacted]	[redacted]	318	1012.5	982.5	3.1	66.8	72.8	-8.2	13.3	8181	30/09/92
368	363	BIC	Fra	1463.3	405	308	1040.5	1005.3	3.5	137.7	126.2	9.1	18.7 y	8650	31/12/92
369	422	Berliner Kraft und Licht	Ger	[redacted]	221	212	2602.6	[redacted]	-1.9	104.6	[redacted]	[redacted]	3.3 y	7175	30/06/93
370	380	Wessex Water	UK	1452.8	221	358	313.6	291.0	7.8	131.2	117.3	11.8	[redacted]	1871	31/03/93
371	354	AVA	Ger	[redacted]	491	160	[redacted]	[redacted]	36.5	108.4	68.6	57.9	30.3 y	22296	31/12/92
372	0	*Skandia Forsakring*	Swe	[redacted]	[redacted]	0	[redacted]	N/R	[redacted]	-403.4	-60.4	[redacted]	[redacted]	5048	31/12/92
373	325	IMI	UK	[redacted]	671	275	1533.9	[redacted]	3.9	103.7	111.7	-7.1	14.5	15052	31/12/92
374	478	Lonrho	UK	[redacted]	171	141	[redacted]	[redacted]	-2.5	122.0	312.7	-61.0	7.5	106161	30/09/92
375	332	Saga Petroleum	Nor	1425.2	213	346	556.9	482.6	15.4	113.4	100.8	3.2	9.4 y	1275	31/12/92

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Footnotes to companies listed on this page

254 Investor, 1991 figures are pro forma.
[redacted] Synthelabo, [redacted] year's and last year's figures not comparable due to changes in scope of consolidation.
[redacted] Credit Foncier de France, employees = parent company.
267 Banque Bruxelles Lambert, this year's figures for 15 months to 31/12/92. Profit is net of tax.
298 Bols Wessanen, merger of Bols Lucas and Wessanen. Figures are for Wessanen only.
303 Pinault-Printemps, merger of Pinault SA and Au Printemps SA 12/92. 1991 figures are pro forma
312 Fomento de Construcciones, [redacted] figures are pro forma.
315 Pollet, figures are pro forma following reorganisation of group in July 1992.
329 Asko Deutsche Kaufhaus, change of year [redacted] to 30/9. This year's figures are for 9 months to 30/9/92, last year's are for [redacted] months to 31/12/91.
330 Casino, employees at 30/11/92.
332 Saint-Louis Group, last year's figures are [redacted] forma showing full consolidation of Arjomari-Prioux after Jan [redacted] merger.
335 *Deutsche SB-Kauf, change of year end* to September. This year's figures for nine months to 30/09/92.
340 Krupp, Fried AG H-K, merger of Fried. Krupp AG and Hoesch AG. Figures are pro forma for the merged company.
[redacted] Baloise Holding, profit is net of tax.
346 Dixons Group, [redacted] year's figures for 53 weeks to 2/5/92.
349 Hays, turnover excludes sales where the Group is obliged to purchase goods on customers' [redacted] and sell them at cost.
352 Kwik Save Group, last year's figures for 53 weeks.
[redacted] Transatlantic Holdings, last year's figures are restated to take account [redacted] the consolidation of the Capcount Property Trust.
365 KNP BT, figures are pro forma as if the merger between KNP, Buhrmann-Tetterode and VRG group had been in [redacted] at the start of 1992.
[redacted] Chubb Security, stock exchange listing 10/92. Figures are pro forma.
367 Daily Mail and General Trust, turnover [redacted] £14m (£41.4m) discontinued [redacted]tivities.
368 [redacted], ROCE based on pre tax profit and *net interest*.

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Ranking 1993	1992	company	country	Market Capital $m	Sector	Turnover Rank	This year $m	Last year $m	per cent change	Profit This year $m	Last year $m	per cent change		ROCE	employees	Year ending
376	262	Chargeurs	Fra	1420.4	171	257	1778.3	1811.3	-1.8	128.7	81.7	60.6		12.1	10460	31/12/92
377	314	Banco Comercial Portugues	Por	1416.9	112	0	N/R	N/R	0.0	160.1	149.6	7.0	a	21.7 y	[illegible]	31/12/92
378	345	Danisco	Den	1414.2	[illegible]	245	1984.7	2031.3	-3.3	124.6	158.8	-21.5		11.9	11465	30/04/93
379	[illegible]	[illegible]	UK	1413.6	221	360	486.9	443.4	9.6	181.6	175.6	3.6		14.5	[illegible]	31/03/93
380	393	Electrocomponents	UK	14[illegible]	551	[illegible]	601.1	616.8	-4.0	79.2	35.4	108.5		35.8	2757 -	31/03/93
381	0	Trygg-Hansa SPP Holding	Swe	1409.7	151	0	N/R	N/R	0.0	-941.8	57.0	0.0		0	13600	31/12/92
382	0	Parmalat	Ita	1408.8	451	310	1028.0	846.8	21.7	80.1	68.9	22.2		25.6	6011	31/12/92
383	456	Sirti	Ita	1402.9	633	318	987.9	836.8	18.1	289.7	248.3	16.7		30.6	10910	31/12/92
384	412	Credit National Group	Fra	1399.9	121	0	N/R	N/R	0.0	115.6	114.9	0.6		10.8	1352	31/12/92
385	321	Willis Corroon Group	UK	[illegible]	142	0	N/R	N/R	0.0	84.8	82.7	3.4		0	11705	31/12/92
386	369	Simco	Fra	[illegible]	161	0	N/R	N/R	0.0	90.0	74.8	20.3		15.8	229 #	31/12/92
387	0	Enso-Gutzeit	Fin	[illegible]	652	259	1778.3	1614.9	10.0	62.0	-69.2	0.0		9.0	[illegible]	31/12/92
388	343	Sefimeg	Fra	[illegible]	161	0	N/R	N/R	0.0	91.6	85.1	3.9		12.2	[illegible]	31/12/92
389	307	Storehouse	UK	[illegible]	491	283	1737.6	1799.6	-3.4	23.2	24.1	-3.8		4.6	21916 -	27/03/93
390	396	Britannic Assurance	UK	[illegible]	141	0	N/R	N/R	0.0	36.2	37.7	-3.9		0	4872 *	31/12/92
391	442	Sedgwick Group	UK	[illegible]	142	0	N/R	N/R	0.0	88.8	125.7	-29.4		0	12644	31/12/92
392	409	Unigate	UK	1379.1	451	183	2939.2	3082.7	-4.8	154.7	100.2	54.3		19.9	25385 -	31/03/93
393	298	Johnson Matthey	UK	1366.5	641	201	2827.5	2660.9	6.3	112.8	102.5	9.8		17.7	6142 -	31/03/93
394	0	Hammerson Property	UK	1360.1	161	0	N/R	N/R	0.0	47.4	84.7	-44.0		6.5	391	31/12/92
395	218	DSM	Net	1352.5	622	131	4894.5	5136.3	-4.7	87.9	285.2	-69.2		4.1	23276	31/12/92
396	386	T & N	UK	1351.9	591	234	2120.3	2072.3	2.3	96.1	61.8	55.9		11	37760 -	31/12/92
397	366	Welsh Water	UK	1349.9	221	345	583.3	521.5	11.8	237.2	210.6	12.5		15.3	4998	31/03/93
398	418	Bankinter	Spa	1343.1	112	0	N/R	N/R	0.0	167.5	223.0	-29.4	a	18.1	2252	31/12/92
399	370	Lahmeyer	Ger	1342.5	613	361	135.3	135.1	0.2	37.3	44.4	-16.1		12.3	518	30/06/93
400	348	Banco Ambrosiano Veneto	Ita	1335.3	112	0	N/R	N/R	0.0	230.2	291.3	-21.0	a	17.3 y	8729	31/1[illegible]
401	352	SEB	Fra	1322.8	402	283	1460.5	1424.5	2.5	88.8	88.3	0.6		19.8 y	10110	31/1[illegible]
402	333	Almanij	Bel	1321.4	122	0	N/R	N/R	0.0	107.8	103.4	4.3		10.1	n/a	31/03/92
403	424	Associated British Ports	UK	1320.1	303	356	335.6	[illegible]	-28.1	-55.8	47.3	0.0		0.3	2600	31/1[illegible]
404	327	Booker	UK	1316.5	591	122	5178.2	[illegible]	3.2	138.8	158.5	-12.4		28.1	22743	31/1[illegible]
405	443	Unidanmark	Den	1315.4	112	0	N/R	[illegible]	0.0	-685.5	-233.8	0.0	<	0 y	11877	31/1[illegible]
406	411	Deutsche Pfandbrief-und HypoBank	Ger	1314.5	112	0	N/R	N/R	0.0	100.1	123.7	-19.1	a	10.7	1539	31/1[illegible]
407	430	Docks de France	Fra	1308.1	493	112	5658.2	5186.1	9.1	94.1	81.7	15.1		19.7	24903	31/1[illegible]
408	336	IKB Deutsche Industriebank	Ger	1299.7	112	0	N/R	N/R	0.0	130.4	113.5	14.9	a	13 y	1054	31/03/93
409	362	MFI Furniture Group	UK	1290.3	408	323	921.1	987.5	-6.7	23.6	11.9	98.7		26.3	7579 -	24/04/93
410	374	C.G.I.P.	Fra	1284.3	171	200	2851.2	2949.7	-3.3	248.8	268.9	-7.5		15.7 y	17587	31/12/92
411	402	AGIV	Ger	1283.6	171	133	4823.6	4158.8	16.0	149.8	152.5	-1.7		9.9 y	39738	31/12/92
412	330	Baden-Wuerttembergische Bank	Ger	1271.9	112	0	N/R	N/R	0.0	46.4	44.6	4.0		11.1	2351	31/12/92
413	358	Pargesa Holding	Swi	1266.7	122	0	N/R	N/R	0.0	128.0	123.8	3.4		7.4	n/a *	31/12/92
414	331	Continental	Ger	[illegible]	574	108	6979.9	5788.6	3.3	95.8	-75.8	0.0		8.3	50446	31/12/92
415	375	Gambro	Swe	[illegible]	433	333	788.3	702.0	12.3	50.7	74.2	-31.6		13.4	8320	31/12/92
416	484	Audiofina	Lux	[illegible]	474	256	1804.5	1439.0	25.4	259.9	123.0	111.4		40.0	2579	31/12/92
417	328	Gehe	Ger	[illegible]	433	175	3354.0	3108.3	7.9	93.9	97.2	-3.4		22.0	6036	31/12/92
418	297	Pirelli Internationale	Swi	1229.9	481	0	N/R	N/R	0.0	-63.4	0.0	0.0		0 y	45726 *	31/12/92
419	349	Sevillana de Electricidad	Spa	1221.5	221	249	1916.5	1796.3	6.7	126.9	147.6	-14.0		9.4	6102	31/12/92
420	445	Ems-Chemie	Swi	1218.2	[illegible]	343	598.9	535.8	11.4	118.8	81.9	45.0		11.7 y	2689	31/12/92
421	388	Rugby Group	UK	1218.0	611	317	991.5	812.3	22.1	87.9	87.4	0.6		16.5	7142 -	31/12/92
422	486	Hepworth	UK	1216.5	611	321	957.1	1008.7	-5.1	68.3	107.4	-36.4		21.8	9525	31/12/92
423	400	Comptoirs Modernes	Fra	1216.1	495	156	3946.9	3728.3	5.9	92.1	87.4	5.3		20.0 y	16916	31/12/92
424	381	Kymmene	Fin	1213.4	651	223	2355.0	2327.5	1.2	-160.1	-90.5	0.0		0 y	16050	31/12/92
425	0	Schindler	Swi	1212.9	566	183	3185.1	2817.0	13.1	139.0	114.5	21.4		8.6 y	32556	31/12/92
426	320	Springer (Axel)	Ger	1212.8	472	229	2200.6	2271.8	-3.1	52.4	26.3	99.6		7.2	12663	31/12/92
427	354	Wienerberger Baustoffindustrie	Aus	1210.5	613	312	1020.4	924.5	11.2	48.8	70.5	-30.7		8.0	5590	31/12/92
428	413	Delta	UK	1210.2	563	300	1190.7	1180.7	1.5	84.0	97.7	-14.1		15.3	14033 -	02/01/93
429	323	SME	Ita	1206.3	451	165	3705.8	3374.7	9.8	90.6	101.6	-10.8		7.9	20857	31/12/91
430	436	Seeboard	UK	1194.6	221	251	1869.7	1764.8	5.9	171.9	150.1	14.5		23.9	6039	31/03/93
431	342	Cobepa	Bel	1191.1	112	0	N/R	N/R	0.0	105.8	142.9	-26.0	a	9.1	n/a	31/12/92
432	435	Bekaert	Bel	1172.7	633	277	1528.1	1521.6	0.4	96.4	-19.5	0.0		10.2	11404	31/12/92
433	420	Greenalls Group	UK	1161.0	421	329	807.0	743.9	8.5	98.2	97.8	0.4		8.8	8039 -	25/09/92
434	353	Altana	Ger	1159.9	433	269	1622.4	1588.0	2.2	117.3	116.1	1.0		17.8	9926	31/12/92
435	406	Fromageries Bel	Fra	1156.9	451	298	1253.7	1200.5	4.4	97.8	78.8	24.2		27.8	6352	31/12/92
436	438	Northern Electric	UK	1142.6	221	291	1346.4	1241.2	8.5	169.9	149.8	13.4		26.8	4826	31/03/93
437	300	GIB Group	Bel	1141.8	491	85	6548.1	6237.4	5.0	118.2	110.6	6.9		14.8 y	57139	31/01/93
438	0	Mapfre (Corp)	Spa	1139.6	151	0	N/R	N/R	0.0	25.3	66.0	-61.7		0	4598	31/12/92
439	491	MAI	UK	1130.6	122	0	N/R	N/R	0.0	122.3	108.6	12.6		39.6	5068	30/06/93
440	0	Unitas Bank	Fin	1120.5	112	0	N/R	N/R	0.0	-487.7	-22.2	0.0		0	8574	31/12/92
441	489	V.N.U.	Net	1108.4	472	278	1503.8	1502.8	0.1	121.5	107.2	13.4		26.9	10246	31/12/92
442	433	Manweb	UK	1105.4	221	285	1403.1	1273.0	10.2	169.6	144.4	17.4		23.7	4533	31/03/93
443	450	DBV	Ger	1104.3	161	0	N/R	N/R	0.0	37.1	51.8	-28.4		0	3544	31/12/92
444	427	Eiffage	Fra	1093.8	613	88	6684.6	2455.2	0.0	83.9	96.0	0.0	+	5.0 y	47398 *	31/12/92
445	0	Next	UK	1089.6	491	335	739.3	704.7	4.9	59.3	18.8	216.3		13.8	8393	31/01[illegible]
446	302	Morrison (Wm) Supermarkets	UK	1086.5	493	242	2008.4	1705.3	17.8	127.9	95.6	33.8		20.7	17792	30/01[illegible]
447	383	Morgan Crucible	UK	1081.2	591	307	1043.3	965.8	8.0	93.5	73.4	27.4		16.8	12774 -	03/01/93
448	0	M & G Group	UK	1080.5	122	0	N/R	N/R	0.0	60.1	59.9	0.4		39.5	765	30/09/92
449	351	Fecsa	Spa	1080.1	221	272	1600.3	1660.2	-3.6	118.5	128.9	-8.1		8.1 y	3850	31[illegible]
450	425	South West Water	UK	1079.7	221	359	298.5	254.0	16.8	141.4	137.3	3.0		13.0	2556	3[illegible]
451	390	Union Electrica-Fenosa	Spa	1075.7	221	222	2363.1	2210.4	6.9	145.7	143.8	1.3		9.4	8270	31/12/92
452	378	Bon Marche	Fra	1075.2	495	142	4436.3	4303.5	3.1	831.5	1109.7	-25.1		17.3 y	17391 *	31/1[illegible]
453	451	Nuernberger Beteiligung	Ger	1074.5	151	0	N/R	N/R	0.0	34.7	27.3	27.0		0	24913	31/1[illegible]
454	463	Security Services	UK	1070.1	406	325	858.6	779.6	10.1	56.5	31.1	81.4		25.7	40772	30/09/92
455	460	South Western Electricity	UK	1067.3	221	289	1360.6	1292.1	5.3	164.2	128.8	21.8		20.1	5569	31/03/93
456	500	Bergesen d.y. Group	Nor	1063.2	303	355	373.4	440.9	-15.3	2.8	135.2	-97.9		2.7	716 #	31/1[illegible]
457	457	IFIL	Ita	1063.0	171	0	N/R	N/R	0.0	[illegible]	115.5	12.9		10.5 y	32	31/1[illegible]
458	0	Rinascente (La)	Ita	1062.6	491	199	2867.4	2628.2	9.1	[illegible]	89.0	11.0		8.6	14606	31/12/92
459	0	FKI	UK	1062.6	563	302	1153.3	1127.4	2.3	[illegible]	48.5	24.7		12.8	12470 -	31/03/93
460	0	Italcable	Ita	1061.4	223	348	602.6	431.1	16.6	[illegible]	133.8	8.4		13.6 y	3061	31/12/92
461	480	Imetal	Fra	1060.2	634	309	1030.2	985.3	4.6	[illegible]	62.2	11.0		11.5 y	5453	31/12/92
462	359	HEW	Ger	1056.6	221	267	1663.5	1578.6	5.4	[illegible]	97.0	3.1		5.3 y	5793 -	31/12/92
463	426	Nobel Industries	Swe	1056.2	622	208	2662.8	3067.0	-13.1	[illegible]	-634.8	0.0		29.9	20194	31/12/92
464	387	Tabacalera	Spa	1054.9	425	173	3468.8	3376.7	2.7	[illegible]	107.9	-8.4		20.5 y	11835	31/12/92
465	0	SAP	Ger	1048.6	551	347	512.9	436.4	17.5	[illegible]	107.5	-3.6		28.1	2935	[illegible]1/12/92
466	0	Sovac	Fra	1044.7	122	0	N/R	N/R	0.0	[illegible]	106.2	10.1		12.9	[illegible]	[illegible]1/12/92
467	0	BBA Group	UK	1039.0	571	241	2017.4	1909.9	5.6	[illegible]	47.1	63.4		12.6	[illegible]	[illegible]1/12/92
468	234	Montedison	Ita	1033.8	622	58	10615.0	10027.2	7.9	-10[illegible]	107.1	0.0		0	[illegible] *	31/12/92
469	0	Mirror Group Newspapers	UK	1033.6	472	340	711.0	701.5	1.3	-1[illegible]	-662.9	0.0		0	[illegible] -	27/12/92
470	408	Remy Cointreau	Fra	1029.0	422	306	1063.5	1181.1	-10.8	[illegible]	78.3	-32.7		4 y	[illegible]	31/03/93
471	0	Metsa-Serla	Fin	1026.5	652	292	1341.7	1339.1	0.2	[illegible]	-96.7	0.0		6.1	[illegible]	31/12/92
472	441	KLM	Net	1018.8	301	139	4518.1	4348.3	3.9	-[illegible]	43.4	0.0		0	26911	31/03/93
473	461	Swissair	Swi	1017.2	301	152	4032.6	3899.2	3.4	[illegible]	67.6	37.5		4.6	19319	31/1[illegible]
474	0	Sagem	Fra	1012.2	521	230	2161.8	2071.8	4.3	[illegible]	137.4	17.2		30.2	14944	31/1[illegible]
475	0	Great Portland Estates	UK	1000.4	161	[illegible]	N/R	N/R	0.0	[illegible]	31.0	67.7		6.4	13 -	31/03/93
476	0	Hambros	UK	999.9	121	0	N/R	N/R	0.0	99.1	113.3	-12.5	a	13.3	7617	31/03/93
[illegible]	0	Baltica Forsikring	Den	999.9	151	0	N/R	N/R	0.0	52.2	133.0	-60.8		0	3455	31/1[illegible]
[illegible]	453	Douglas Holdings	Ger	988.2	494	[illegible]	1776.5	1654.2	7.4	130.6	132.1	-1.1		27.3 y	14060	31/1[illegible]
479	346	Bongrain	Fra	984.9	451	[illegible]	1712.3	1716.6	-0.3	103.5	96.1	7.7		17.6 y	6217	31/1[illegible]
480	269	Racal Electronics	UK	980.5	651	[illegible]	1443.2	1433.7	0.7	78.5	24.6	113.7		8.6	[illegible] *	31/0[illegible]
481	468	Colas	Fra	980.2	613	218	2405.4	2150.7	11.8	73.7	76.9	-4.2		13.7 y	[illegible] *	31/1[illegible]
482	0	Outokumpu	Fin	978.5	634	210	2817.7	2183.6	19.9	-94.0	-33.1	0.0		3.2 y	[illegible]	31/1[illegible]
483	0	Baer Holdings	Swi	977.9	112	0	N/R	N/R	0.0	61.4	53.7	14.5		0	1405	31/1[illegible]
484	447	Allied Colloids Group	UK	977.6	622	358	449.7	388.2	15.8	67.7	64.2	5.5		27.4	2796	03/04/93
485	415	Coden Group	Den	973.7	151	0	N/R	N/R	0.0	-3.8	54.1	0.0		0	1069	31/12/92
486	472	Glynwed International	UK	970.9	566	287	1382.6	1448.9	-4.6	59.5	38.9	29.8		14.0	11441	2[illegible]
487	0	Oldenburgische Landesbank	Ger	963.2	112	0	N/R	N/R	0.0	47.7	39.3	21.6	a	22.6	2114	3[illegible]
488	0	Lapeyre	Fra	961.3	611	337	733.1	704.4	4.1	78.7	73.5	7.1		26.3	3413	3[illegible]
489	0	Bunzl	UK	955.4	652	244	1966.7	2127.4	-7.6	68.8	32.2	113.7		15.0	6045 -	3[illegible]
490	[illegible]	Dunhill Holdings	UK	956.2	406	349	499.2	388.3	28.6	107.9	115.9	-7.0		25.5	2292	3[illegible]
491	[illegible]	Emap	UK	952.8	473	351	485.5	411.0	18.1	64.6	41.4	56.2		317.7	4620	[illegible]
492	0	Kleinwort Benson Group	UK	951.6	121	0	N/R	N/R	0.0	70.6	42.6	65.9	[illegible]	14.2	2111	[illegible]
493	0	Aare-Tessin	Swi	948.8	221	[illegible]	855.2	816.8	4.7	49.5	38.7	28.0		7.0 y	463	[illegible]
494	0	Wimpey (George)	UK	945.9	613	[illegible]	2600.3	2674.2	-6.5	-171.4	-24.6	0.0		0	13600	[illegible]
495	470	South Wales Electricity	UK	945.2	221	[illegible]	893.8	900.2	-0.7	132.7	111.2	19.3		26.7	3158 -	31/03/93
496	0	Dragados y Construcciones	Spa	933.5	613	[illegible]	2499.1	2548.5	-1.9	99.9	98.2	1.8		13.3	21999	31/1[illegible]
497	434	Vereins- und Westbank	Ger	933.1	112	0	N/R	N/R	0.0	19.0	24.7	-22.8	a	3.5 y	5421	31/1[illegible]
498	0	Farnell Electronics	UK	933.1	551	354	387.9	312.6	24.1	63.5	49.9	27.2		42.7	3294	31/0[illegible]
499	0	Assitalia	Ita	932.1	151	0	N/R	N/R	0.0	1.4	33.3	-95.8		0	2051 #	31/1[illegible]
500	0	Kansallis-Osake-Pankki	Fin	931.2	112	0	N/R	N/R	0.0	-893.2	-278.9	0.0		0	8766	31/1[illegible]

■ Footnotes to companies listed on this page

390 Britannic Assurance, profit is net of tax.
413 Pargesa Holding, profit is net of tax.
418 Pirelli Internationale, change of year end to December. No comparable consolidated figures for 1991 available. Profit is net of tax. Employees=Pirelli group.
[illegible] Eiffage, formerly Fougerolle. 1992 figures include results for Groupe Auxiliaire d'entreprises et de participations.
452 Bon Marche, 1991 figures are pro forma.
468 Montedison, profit is net of tax.
480 Racal Electronics, figures are adjusted for the demerger of Vodafone Group plc and Chubb Security plc.
481 Colas, ROCE based on pre-tax profit and net interest.

THE FT5[illegible]

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Ranking 1993	1992	company	Market Capital £m	Sector	Turnover Rank	This year £m	Last year £m	per cent change	Profit This year £m	Last year £m	per cent change		ROCE	employees	Year ending
[illegible]	351	Barratt Developments	331.5	614	192	405.3	438.3	-7.5	20.4	11.3	80.5		6.2	2200	30/09/93
[illegible]	221	Body Shop International	327.7	495	290	168.3	147.4	14.1	21.6	25.2	-14.5		22.9	2124	28/03/93
253	323	Cray Electronics	325.8	551	259	200.8	84.8	0.0	29.0	2.4	0.0	+	51.1	2956 -	30/04/93
254	306	VSEL Consortium	325.0	592	308	141.7	392.1	-63.9	55.6	47.9	16.1		21.0	9820	31/03/93
255	288	ACT Group	324.6	482	297	152.9	119.4	28.0	20.5	17.0	20.3		129.0	2018	31/03/93
256	168	Pentland Group	321.2	171	215	326.5	340.1	-4.0	83.6	240.0	-65.2		20.4	3420	31/12/92
[illegible]	[illegible]	[illegible]rscreen International	319.0	566	344	108.3	88.1	22.9	25.3	18.8	34.6		44.9	862	31/03/93
[illegible]	[illegible]	[illegible]ngton Group	318.3	421	248	236.2	186.9	26.4	26.3	20.3	29.6		11.0	7175	02/01/93
[illegible]	[illegible]	[illegible] (William)	317.0	412	168	541.5	532.6	1.6	23.4	25.1	-6.6		13.6	16997	31/12/92
[illegible]	[illegible]	[illegible]s Holdings	316.2	566	274	194.2	192.7	0.8	25.5	25.2	1.3		21.5	2984 -	31/12/92
[illegible]	265	Menzies (John)	316.1	495	109	1168.1	1100.5	6.1	30.7	16.6	84.9		51.0	12327 -	01/05/93
[illegible]	212	Hickson International	315.7	621	208	342.5	367.4	-6.8	24.3	-4.5	0.0		12.6	2851 -	31/12/92
[illegible]	300	Christies International	313.8	495	341	109.4	102.7	6.5	6.7	6.4	4.6		6.0	1398	31/12/92
[illegible]	274	Savoy Hotel	313.7	484	376	76.8	79.2	-3.1	-1.4	2.3	0.0		0.2	2872	31/12/92
[illegible]	219	Shanks & McEwan Group	311.1	563	318	131.0	145.8	-10.1	10.2	27.1	-62.3		14.6	1430 -	27/03/93
[illegible]	0	Northern Ireland Electricity	307.8	221	182	452.4	433.5	4.4	64.1	15.0	327.3		16.5	3851 *	31/03/93
[illegible]	240	Sema Group	307.8	551	188	416.7	412.5	1.0	19.5	14.0	38.8		23.2	6913	31/12/92
268	259	Lloyds Chemists	306.7	494	134	802.4	509.4	57.5	49.7	36.9	34.7		45.7	13541 -	30/06/93
269	304	Diploma	306.2	551	317	132.3	141.9	-6.8	16.6	14.5	14.5		22.3	1372	30/09/92
270	277	Bradford Property Trust	306.0	161	0	N/R	N/R	0.0	21.1	23.1	-8.6		20.5	2033	05/04/93
271	204	Wolverhampton & Dudley Brews	305.9	421	[illegible]	209.6	187.6	11.7	35.2	33.0	6.6		10.7	[illegible]	27/09/92
272	0	Devro International	305.7	451	[illegible]	82.7	76.5	8.1	13.1	10.4	25.7		38.9	999 *	31/12/92
273	[illegible]	[illegible]rcros	305.7	592	[illegible]	352.0	354.7	-0.8	11.5	15.6	-26.2		7.4	7161	31/03/93
274	[illegible]	[illegible] Ives	304.5	471	[illegible]	221.3	208.1	6.4	22.1	21.1	4.8		18.0	3027	30/07/93
275	[illegible]	[illegible] Group	304.5	563	[illegible]	174.0	158.3	9.9	16.6	14.6	13.7		28.1	4525	26/12/92
[illegible]	281	Tibbett & Britten Group	302.4	406	[illegible]	231.8	181.2	27.9	14.7	13.5	9.4		29.7	7198	31/12/92
[illegible]	296	Anglian Group	301.4	611	[illegible]	151.4	145.6	4.0	23.1	18.6	23.9		190.9	2126	03/04/93
[illegible]	175	Blenheim Group	300.7	481	[illegible]	239.1	122.2	0.0	49.7	28.3	0.0		0.0	587 - *	31/12/92
[illegible]	214	Dawson International	298.3	411	[illegible]	431.7	415.0	4.0	32.1	23.2	38.3		12.6	11973	27/03/93
[illegible]	198	Medeva	292.1	[illegible]	[illegible]	144.2	82.4	74.9	36.0	16.7	115.1		65.1	1943	31/12/92
[illegible]	271	Brown (N) Group	292.0	[illegible]	[illegible]	170.8	152.6	11.9	19.0	15.7	21.4		23.5	1461	27/02/93
[illegible]	247	APV	288.1	[illegible]	[illegible]	947.5	874.4	8.4	21.0	26.7	-21.3		11.2	12600 -	31/12/92
[illegible]	297	Persimmon Group	286.5	614	[illegible]	144.2	143.8	0.3	10.2	22.3	-54.4		9.5	720	31/12/92
[illegible]	326	Bilton	284.1	161	0	N/R	N/R	0.0	17.7	17.4	1.7		6.0	204	31/12/92
[illegible]	336	Kwik-Fit Holdings	283.8	572	250	233.6	253.8	-8.0	17.1	32.1	-46.8		13.4	3328	28/02/93
[illegible]	229	Tiphook	279.0	303	216	322.4	303.1	6.4	86.4	76.1	13.5		13.8	975	30/04/92
[illegible]	293	Senior Engineering Group	278.8	561	212	331.6	297.6	11.4	6.4	18.3	-65.2		10.1	5512 -	31/12/92
[illegible]	330	Travis Perkins	278.2	611	225	303.4	310.3	-2.2	11.0	14.0	-21.2		7.4	3219	31/12/92
[illegible]	249	Gestetner Holdings	276.1	534	126	900.3	898.3	0.2	27.2	22.5	20.9		15.6	11238 -	31/10/92
290	280	ML Laboratories	274.3	433	417	0.6	0.3	109.7	-0.9	-0.5	0.0		0.0	39	30/09/92
291	286	Spirax-Sarco Engineering	272.3	566	269	168.4	158.3	6.4	23.1	22.5	3.0		24.5	3439	31/12/92
292	319	Laing (John)	272.2	613	102	1254.9	1577.6	-20.5	11.6	-65.3	0.0		6.6	8800	31/12/92
293	291	Trinity International Holdings	267.7	472	335	115.4	135.5	-14.8	16.9	13.3	27.0		28.8	3028	31/12/92
294	252	Geest	266.3	451	152	624.0	626.3	-0.4	20.4	26.2	-22.2		25.6	6998 *	02/01/93
295	[illegible]	London International Group	265.5	431	189	416.0	398.1	4.5	27.8	16.9	64.5		19.0	10250	31/03/93
296	[illegible]	Eurotherm	264.5	551	293	154.6	157.7	-2.0	14.6	7.1	104.0		22.6	2352	31/10/92
297	263	Staveley Industries	262.1	552	207	344.9	298.3	15.6	24.4	22.4	8.9		22.0	5303 -	03/04/93
298	269	BTP	262.1	622	265	208.8	175.2	19.2	20.5	18.2	12.6		20.3	2227	31/03/93
299	397	Hambro Countrywide	259.9	161	0	N/R	N/R	0.0	-3.1	-6.5	0.0		0.0	4064	31/12/92
300	317	Amstrad	258.8	551	223	308.5	356.6	-13.5	-20.5	-70.9	0.0		0.0	621	30/06/93
301	314	Hewden Stuart	257.2	584	291	165.3	170.9	-3.3	12.0	15.0	-20.0		10.3	3358	31/01/93
302	302	Asprey	252.9	495	304	144.7	107.2	35.0	21.6	19.4	11.7		15.4	1196	31/03/93
303	305	Fairey Group	252.8	521	346	104.3	88.8	17.5	17.3	14.5	19.4		34.9	2047	31[illegible]
304	286	Heath C.E.	252.5	142	0	N/R	N/R	0.0	1.5	19.0	-92.2		0.0	3656 -	31[illegible]
305	233	Micro Focus Group	251.5	482	381	67.7	55.9	21.3	22.3	18.1	22.7		72.0	580	31[illegible]
306	325	Mersey Docks and Harbour Co	251.0	308	385	86.4	69.5	24.3	16.4	13.2	24.5		13.2	1638	31[illegible]
307	285	Marston,Thompson & Evershed	248.5	421	323	127.7	116.0	10.1	20.1	15.1	33.3		9.3	3496	27[illegible]
308	315	Watmoughs	247.9	471	330	118.9	107.4	10.7	12.2	8.1	50.7		14.4	1764	31/12/92
309	363	Heywood Williams Group	247.4	611	195	389.5	347.4	12.1	5.5	19.2	-71.4		9.0	7226	31/12/92
310	288	Brake Bros	245.7	451	228	280.5	223.0	25.8	18.0	15.4	3.7		34.4	2718	31/12/92
311	425	Asteo (BSR)	243.6	551	239	251.0	273.0	-8.1	7.8	-4.8	0.0		8.9	10486	31/12/92
312	361	Bardon	243.4	611	209	336.2	334.0	0.7	18.2	26.9	-32.3		5.5	3618 *	31/12/92
313	267	Greene King	237.2	421	314	133.6	128.6	3.9	20.1	20.3	-0.8		10.3	2354	02/05/93
314	451	Stakis	236.5	461	295	154.1	171.5	-10.1	0.3	-47.4	0.0		5.3	7130	27/09/92
315	263	Nurdin & Peacock	236.0	612	88	1444.6	1369.8	5.5	30.2	27.6	9.3		22.8	5252 *	01/01/93
316	294	London Merchant Securities	234.7	161	0	N/R	N/R	0.0	25.6	24.0	6.6		8.2	62	31/03/93
317	301	Bulmer H.P. Holdings	233.1	424	237	251.8	221.9	13.5	19.6	17.1	14.6		22.7	1489	30/04/93
318	333	Amec	232.3	613	60	2121.7	2338.2	-9.3	-87.5	-13.1	0.0		0.0	27171	31/12/92
319	313	Davis Service Group	230.9	591	242	247.4	309.2	-20.0	17.5	16.7	5.1		14.7	17483 -	31/12/92
320	295	Meggitt	229.8	563	213	327.6	301.9	8.5	23.0	18.7	23.1		18.0	6811 -	31/12/92
321	298	Polypipe	229.6	611	329	120.5	108.3	11.3	17.1	15.4	11.2		32.6	1681	30/06/93
322	171	Spring Ram Corporation	229.5	406	275	193.3	194.2	-0.5	26.2	36.2	-27.5		20.9	2356	03/01/93
323	276	Scottish Television	229.4	474	325	126.1	114.2	10.4	10.1	8.6	17.7		19.8	554	31/12/92
324	355	Hunting	229.0	561	133	809.8	749.7	8.0	29.2	15.4	88.9		18.7	7665 -	31/12/92
325	261	Life Sciences International	227.1	402	336	110.5	91.8	20.4	20.6	18.5	11.6		28.3	1554	31/12/92
326	402	Frogmore Estates	224.3	161	0	N/R	N/R	0.0	10.7	9.9	8.0		7.8	87	30/06/93
327	357	London Forfaiting	223.0	121	0	N/R	N/R	0.0	18.1	15.1	19.7		14.2	77	31/12/92
328	379	Howden Group	221.3	561	210	335.1	292.3	14.7	16.5	16.1	2.2		14.7	4226	03/05/93
329	284	Taunton Cider	220.8	424	326	124.9	109.3	14.2	17.6	6.6	166.0		49.7	558 -	01/05/93
330	348	Henderson Administration Grp	220.3	122	0	N/R	N/R	0.0	14.6	17.0	-14.5		24.1	457	31/03/93
331	394	Bellway	220.2	614	320	130.0	108.2	20.1	13.0	9.3	39.8		13.0	634	31/07/92
332	384	Westland	219.8	523	188	422.1	467.4	-9.7	26.3	23.7	11.0		13.9	8766	02/10/92
333	366	Kalon Group	216.1	611	346	106.3	98.5	7.9	10.6	9.2	14.8		34.5	1420	31/12/92
334	364	Vosper Thornycroft	215.1	592	271	196.2	156.8	25.1	19.0	16.0	18.7		37.9	1788	31/03/93
335	321	Betterware	212.1	495	369	56.3	41.7	35.2	13.7	7.0	94.3		-76.3	478	27/02/93
336	278	Yule Catto	212.0	622	255	221.9	225.5	-1.6	22.2	21.8	1.6		35.4	2799	31/12/92
337	290	Takare	210.2	434	396	48.0	29.7	61.6	11.8	7.6	55.9		10.1	3960	31/12/92
338	299	Paterson Zochonis	209.1	431	251	233.4	227.3	2.7	28.5	26.6	7.1		13.9	3926	31/05/93
339	342	Daejan Holdings	206.8	161	0	N/R	N/R	0.0	16.7	13.9	19.9		9.0	140 -	31/03/93
340	335	Ashley (Laura) Holdings	206.7	495	240	247.8	262.8	-5.7	1.8	-9.1	0.0		4.5	4835 - *	30/01/93
341	375	Clyde Petroleum	205.7	213	366	83.3	87.2	-4.5	-41.1	-4.7	0.0		0.0	144 -	31/12/92
342	0	Perpetual	203.9	122	0	N/R	N/R	0.0	4.8	2.9	63.0	<	43.3	120	30/09/92
343	322	Waddington (John)	203.2	652	256	221.6	231.4	-4.2	6.1	7.2	-16.0		8.2	3486 -	03/04/93
344	320	Tilbury Douglas	201.9	613	196	381.6	239.6	59.3	15.0	15.0	-0.1		18.5	4154	31/12/92
345	372	Gerrard & National	200.7	121	0	N/R	N/R	0.0	25.2	15.7	60.9	a	24.3	650 -	05/04/93
346	383	Unitech	195.5	551	235	252.9	253.5	-0.2	10.5	14.0	-24.4		10.2	5511 -	31/05/93
347	381	Misys	194.2	482	359	86.8	66.0	30.5	15.1	9.1	65.9		293.5	1353	31/05/93
348	338	FR Group	193.1	521	278	182.8	168.4	8.6	23.3	21.4	8.9		16.9	3647	31/12/92
349	292	Photo-Me International	192.0	461	313	134.0	114.8	16.7	17.6	16.4	7.2		25.3	2074	30/04/93
350	318	Wagon Industrial Holdings	191.9	591	241	247.6	229.5	7.9	18.1	12.7	42.5		20.0	3776 -	31/03/93
351	0	Stagecoach Holdings	190.4	304	294	154.3	140.7	9.7	13.0	8.2	57.2		25.0	11267 *	30/04/93
352	349	B.S.G. International	189.9	591	166	555.1	569.8	-2.8	12.0	11.1	8.2		12.2	6179	31/12/92
353	377	Property Security Invest. Tst	189.7	161	0	N/R	N/R	0.0	8.7	6.7	28.9		7.6	42	31/03/93
354	312	JIB Group	189.1	142	0	N/R	N/R	0.0	18.2	20.1	-9.3		0.0	3593	31/12/92
355	0	Holliday Chemical	189.0	622	355	97.1	63.1	53.8	7.6	6.1	24.9		22.5	985 *	31/12/92
356	412	Hardy Oil & Gas	188.6	213	392	50.7	41.0	23.7	3.3	3.1	8.7		7.1	119	31/03/93
357	345	Lloyd Thompson Group	188.5	142	0	N/R	N/R	0.0	17.4	14.4	21.2		0.0	347	30/06/92
358	415	Close Brothers Group	187.6	121	0	N/R	N/R	0.0	17.8	12.6	41.9	a	26.8	390	31/07/93
359	332	Readicut International	187.4	412	249	234.6	219.6	6.9	19.2	13.5	42.4		26.5	3859	31/03/93
360	403	Suter	185.4	171	272	196.0	205.7	-4.7	16.3	17.8	-8.4		26.4	2677	31/12/92
361	353	Ibstock Johnsen	185.2	611	229	277.4	285.3	-2.8	-27.6	10.6	0.0		0.0	4188	31/12/92
362	334	EIS Group	181.7	566	267	201.6	189.9	6.1	16.1	14.2	6.4		14.8	4221 - *	31/12/92
363	0	Dorling Kindersley	179.9	472	382	87.4	70.9	23.3	9.6	7.5	28.7	+	21.6	569 *	30/06/93
364	0	Telemetrix	179.7	552	353	98.2	83.7	17.3	9.8	4.1	137.3		40.7	4410	31/12/92
365	405	Vinten Group	178.1	551	375	77.3	63.3	22.1	10.2	9.2	11.5		24.9	1004	31/12/92
366	376	Johnston Press	178.1	471	378	71.7	61.9	15.8	9.8	7.4	31.9		45.3	1883	31/12/92
367	253	Babcock International Group	177.6	563	140	748.1	830.2	-9.9	21.1	56.0	-62.4		18.6	13544 -	31/03/93
368	359	Yorkshire Chemicals	176.7	[illegible]	[illegible]	99.0	92.6	5.6	10.1	11.0	-8.3		24.9	959	31/12/92
369	0	Westminster Health	176.5	[illegible]	[illegible]	36.9	23.4	57.9	4.3	1.7	156.7		14.0	3448	31/05/93
370	0	Field Group	175.7	[illegible]	[illegible]	138.7	131.8	5.3	3.4	4.0	-15.4		7.6	1895 *	04/04/93
371	327	Ellis & Everard	175.6	[illegible]	[illegible]	394.6	383.4	2.9	12.2	3.0	306.7		16.6	1862 -	30/04/93
372	311	Etam	175.1	[illegible]	[illegible]	[illegible]	212.9	3.7	10.9	10.7	2.7		15.3	5382 -	30/01/93
373	411	Sidlaw Group	173.4	[illegible]	[illegible]	[illegible]	84.6	9.4	10.6	8.3	27.3		23.5	1604	30/09/92
374	406	Silentnight Holdings	173.1	[illegible]	[illegible]	[illegible]	137.6	11.9	12.0	12.4	-2.7		29.8	3221 -	30/01/93
375	354	City Centre Restaurants	173.1	464	[illegible]	[illegible]	79.8	12.3	11.3	9.1	24.2		19.1	3556	31/12/92

■ Footnotes to companies listed on this page

266 Northern Ireland Electricity, stock exchange listing 6/93.
272 Devro International, stock exchange listing 6/93.
278 Blenheim Group, this year's figures for 16 months to 31/12/92, last year's for 12 months to 31/8/91
294 Geest, this year's figures for 53 weeks to 2/1/93.
312 Bardon, formerly Evered Bardon
315 Nurdin & Peacock, this year's figures for 53 weeks to 1/1/93.
340 Ashley (Laura) Holdings, this year's figures for 53 weeks to 30/1/93
351 Stagecoach Holdings, stock exchange listing 4/93.
355 Holliday Chemical, stock exchange listing 4/93.
362 EIS Group, change in accounting policy re post retirement benefits in the US.
363 Dorling Kindersley, stock exchange listing 10/92.
370 Field Group, stock exchange listing 7/93.

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Footnotes [redacted] companies listed on this page

136 Dixons Group ,last year's [redacted] for 53 [redacted] to 2/5/92.
138 Hays, turnover excludes sales where the Group is obliged [redacted] purchase goods on customers' behalf and sell them at [redacted]
140 Kwik Save Group, last year's figures for 53 [redacted]
141 Transatlantic Holdings, last year's figures are restated to [redacted] account of [redacted] consolidation [redacted] the Capcount Property Trust.
143 Chubb Security, [redacted] exchange listing [redacted] Figures [redacted] pro forma.
144 Daily Mail and General Trust, turnover includes £14m (£41.4m) [redacted]
[redacted] Britannic Assurance, profit is net of [redacted]
182 Racal Electronics, figures are adjusted for [redacted] demerger of Vodafone Group plc and Chubb Security plc.
211 Charter, formerly Charter Consolidated. Restructuring following withdrawal [redacted] Minorco as [redacted] shareholder [redacted] 93.

Ranking 1993	1992	company	Market Capital £m	Sector	Turnover: Rank	Turnover: This year £m	Turnover: Last year £m	per cent change	Profit: This year £m	Profit: last year £m	per cent change	ROCE	employees	Year ending
126	189	Trafalgar House	1107.4	171	33	3899.5	3202.4	21.8	-90.3	-88.5	0.0	2.2	39897	27/09/92
127	106	Dalgety	1105.4	451	22	4470.3	3982.4	12.3	112.2	111.6	0.5	27.0	15417	30/06/93
128	151	Hillsdown Holdings	1101.1	451	24	4373.0	4656.6	-6.1	154.1	186.8	-17.5	13.5	44196	31/12/92
129	87	Lasmo	1087.3	213	153	621.0	281.0	121.0	-281.0	7.0	0.0	0.0	1717	31/12/92
130	141	Cookson Group	1086.0	621	104	1237.5	1304.7	-5.2	72.5	-7.9	0.0	13.2	13221	31/12/92
131	111	Smiths Industries	1079.1	586	149	635.3	655.5	-3.1	102.2	109.8	-6.9	23.6	11576	01/08/92
132	107	Yorkshire Water	1073.9	221	178	481.6	441.2	9.2	138.6	123.9	11.9	12.6	4740	31/03/93
133	145	Lucas Industries	1055.5	571	54	2434.1	2252.7	8.1	50.3	22.5	123.6	8.5	45709	31/07/93
134	121	Salvesen (Christian)	1037.9	302	172	528.0	498.3	6.0	75.9	46.3	63.9	21.1	11098	31/03/93
135	185	Burton Group	1031.5	491	76	1764.9	1661.1	6.2	9.4	-13.4	0.0	4.2	35964	29/08/92
136	124	Dixons Group	1023.7	495	68	1985.9	1867.0	6.4	33.5	50.1	-33.1	7.9	14523	01/05/93
137	135	Argos	1021.6	495	119	1003.6	926.6	8.3	52.9	[redacted]	[redacted]	[redacted]	12056	31/12/92
138	131	Hays	1017.6	481	179	477.1	379.7	25.7	66.6	55.6	19.9	34.9	6540	30/06/93
139	134	NORWEB	1015.7	221	90	1413.5	1318.0	7.2	157.1	137.9	13.9	25.8	7977	31/03/93
140	102	Kwik Save Group	1010.5	493	57	2319.0	1784.5	29.9	110.6	101.7	8.8	44.4	14643	29/08/92
141	167	Transatlantic Holdings	976.3	122	0	N/R	N/R	0.0	60.7	61.2	-0.8	6.3	1052	31/12/92
142	226	Slough Estates	969.1	161	0	N/R	N/R	0.0	50.3	31.6	59.2	6.4	412	31/12/92
143	0	Chubb Security	966.6	406	144	674.4	668.9	0.8	64.2	39.1	64.3	30.9	19930	31/03/93
144	142	Daily Mail and General Trust	962.2	472	147	663.8	644.1	3.1	43.8	47.7	-8.2	13.3	6161	30/09/92
145	143	Wessex Water	952.5	221	266	205.6	190.8	7.8	86.0	76.9	11.8	12.3	1871	31/03/93
146	178	Lonrho	944.5	171	46	2923.0	2998.0	-2.5	80.0	205.0	-61.0	7.5	106161	30/09/92
147	128	IMI	937.2	671	118	1005.6	968.0	3.9	68.0	73.2	-7.1	14.5	16052	31/12/92
148	137	Southern Water	926.8	221	216	319.2	290.7	9.8	119.2	115.1	3.6	14.5	3385	31/03/93
149	148	Electrocomponents	924.4	551	196	387.5	403.7	-4.0	51.9	25.2	106.0	35.8	2757	31/03/93
150	127	Willis Corroon Group	917.0	142	0	N/R	N/R	0.0	42.5	41.1	3.4	0.0	11706	31/12/92
151	150	Storehouse	907.5	491	111	1139.3	1179.8	-3.4	16.2	15.8	-3.8	4.6	21916	27/03/93
152	149	Britannic Assurance	904.7	141	0	N/R	N/R	0.0	23.7	24.7	-3.9	0.0	4672	31/12/92
153	164	Sedgwick Group	904.4	142	0	N/R	N/R	0.0	58.2	82.4	-29.4	0.0	12844	31/12/92
154	153	Unigate	902.2	451	70	1926.0	2021.0	-4.8	101.4	65.7	54.3	19.9	26385	31/03/93
155	114	Johnson Matthey	895.9	641	74	1853.7	1744.5	6.3	73.8	67.2	9.8	17.7	6142	31/03/93
156	209	Hammerson Property	891.7	161	0	N/R	N/R	0.0	31.1	55.5	-44.0	6.5	391	31/12/92
157	146	T & N	886.3	591	92	1390.1	1358.6	2.3	63.0	40.4	55.9	11.0	37760	31/12/92
158	140	Welsh Water	885.0	221	197	382.4	341.9	11.8	155.5	138.2	12.5	15.3	4998	31/03/93
159	158	Associated British Ports	865.5	303	259	220.0	310.3	-29.1	-36.6	31.0	0.0	0.3	2603	31/12/92
160	129	Booker	863.1	591	37	3394.8	3289.1	3.2	91.0	103.9	-12.4	28.1	22743	31/12/92
161	139	MFI Furniture Group	845.9	406	157	603.9	647.4	-6.7	15.5	7.8	98.7	28.3	7579	24/04/93
162	147	Rugby Group	798.5	611	148	650.1	532.6	22.1	57.6	57.3	0.5	16.5	7142	31/12/92
163	182	Hepworth	797.6	611	151	627.5	661.3	-5.1	44.8	70.4	-36.4	21.8	9525	31/12/92
164	165	Delta	793.4	563	136	785.9	774.0	1.5	55.0	64.1	-14.1	15.3	14033	02/01/93
165	161	Seeboard	783.1	221	106	1225.8	1157.0	5.9	112.7	98.4	14.5	23.9	6039	31/03/93
166	156	Greenalls Group	761.1	421	171	529.1	487.7	8.5	64.4	64.1	0.4	8.8	8039	25/09/92
167	162	Northern Electric	749.1	221	129	882.7	813.7	8.5	111.4	98.2	13.4	26.8	4926	31/03/93
168	184	MAI	741.3	122	0	N/R	N/R	0.0	80.2	71.2	12.6	39.6	5069	30/06/93
169	160	Manweb	724.7	221	123	919.9	834.6	10.2	111.2	94.7	17.4	23.7	4533	31/03/93
170	203	Next	714.3	491	177	484.7	462.0	4.9	38.9	12.3	216.3	13.6	6363	31/01/93
171	116	Morrison (Wm) Supermarkets	713.6	493	96	1316.7	1118.0	17.8	83.8	62.6	33.8	20.7	17782	30/01/93
172	144	Morgan Crucible	708.8	591	143	684.0	633.2	8.0	61.3	48.1	27.4	16.8	12774	03/01/93
173	193	M & G Group	708.4	122	0	N/R	N/R	0.0	39.4	39.2	0.4	38.5	765	30/09/92
174	159	South West Water	707.9	221	273	194.4	166.5	16.8	92.7	90.0	3.0	13.0	2556	31/03/93
175	172	Security Services	701.5	406	163	562.9	511.2	10.1	37.0	20.4	81.4	25.7	40772	30/09/92
176	170	South Western Electricity	699.7	221	127	892.0	847.1	5.3	101.1	83.0	21.8	20.1	5569	31/03/93
177	202	FKI	698.7	563	139	756.1	[redacted]	[redacted]	38.0	30.5	[redacted]	12.8	12470	31/03/93
178	192	BBA Group	681.2	571	97	1322.6	[redacted]	5.6	47.4	[redacted]	53.4	12.8	22352	31/12/92
179	251	Mirror Group Newspapers	677.6	472	180	466.1	[redacted]	1.3	[redacted]	-447.7	[redacted]	0.0	3566	27/12/02
180	[redacted]	Great Portland [redacted]	655.9	161	0	N/R	[redacted]	[redacted]	[redacted]	[redacted]	67.7	8.4	13	31/03/93
181	190	Hambros	655.6	121	0	N/R	[redacted]	[redacted]	65.0	[redacted]	[redacted]	[redacted]	[redacted]	31/03/93
182	109	[redacted] Electronics	642.8	551	122	946.2	940.0	0.7	[redacted]	[redacted]	219.6	[redacted]	12564	31/03/93
[redacted]	166	Allied Colloids Group	640.9	622	226	294.8	254.5	15.8	44.4	42.1	5.5	[redacted]	2796	[redacted]
[redacted]	177	Glynwed [redacted]	636.5	566	124	906.4	[redacted]	-4.6	33.1	25.5	29.8	14.0	11441	26/12/92
185	191	Bunzl	626.4	652	99	1289.4	[redacted]	-7.6	45.1	21.1	113.7	[redacted]	8046	31/12/92
186	136	Dunhill Holdings	626.2	406	214	327.3	[redacted]	[redacted]	[redacted]	[redacted]	-7.0	[redacted]	2292	31/03/93
187	169	Emap	624.7	473	219	318.3	289.4	18.1	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	03/04/93
188	201	Kleinwort Benson Group	623.9	121	0	N/R	N/R	0.0	[redacted]	27.9	65.9	14.2	2111	31/12/92
[redacted]	227	Wimpey (George)	620.1	613	79	1639.2	[redacted]	[redacted]	-112.4	-16.1	[redacted]	[redacted]	13800	31/12/92
190	176	South Wales Electricity	619.7	221	160	596.0	[redacted]	-0.7	67.0	72.9	[redacted]	[redacted]	3166	31/03/93
191	198	Farnell Electronics	611.8	551	234	254.3	[redacted]	24.1	41.6	32.7	27.2	42.7	3294	31/01/93
192	179	Securicor Group	609.1	406	161	583.8	565.1	3.3	54.5	33.0	64.9	25.1	41766	31/01/93
193	194	Bowthorpe Holdings	587.9	541	233	265.4	[redacted]	20.3	42.7	40.3	5.8	34.5	5136	31/12/92
[redacted]	228	Provident Financial	568.1	121	0	N/R	N/R	[redacted]	44.5	34.1	[redacted]	0.0	5573	31/12/92
195	206	Smith [redacted] Holdings	561.7	652	175	518.9	[redacted]	43.5	27.1	15.4	76.0	[redacted]	6203	01/05/93
196	[redacted]	Refuge Group	551.3	141	0	N/R	N/R	0.0	[redacted]	[redacted]	[redacted]	[redacted]	3742	31/12/92
[redacted]	197	[redacted] Independent TV	550.6	474	211	333.2	[redacted]	[redacted]	[redacted]	24.4	67.9	54.1	942	[redacted]
[redacted]	174	[redacted] Textiles	535.6	412	128	889.6	[redacted]	[redacted]	39.1	42.2	-7.3	[redacted]	21600	31/12/92
199	437	WPP Group	531.1	475	101	1273.0	[redacted]	5.7	[redacted]	[redacted]	-58.7	64.5	20664	31/12/92
200	180	Iceland [redacted] Foods Hldgs	524.8	493	116	1037.3	[redacted]	16.7	55.3	[redacted]	[redacted]	29.2	12530	02/01/93
201	213	United Friendly Group	524.4	151	0	N/R	N/R	0.0	23.4	20.1	16.4	[redacted]	[redacted]	[redacted]
202	275	Meyer International	521.3	611	113	1088.1	1125.8	-3.3	14.4	-19.9	0.0	7.1	6740	31/03/93
203	248	Vickers	520.1	566	141	718.5	652.2	10.2	-25.9	-12.4	0.0	0.0	10422	31/12/92
204	188	The Telegraph	518.2	473	247	237.2	219.1	8.2	44.4	40.5	9.4	27.9	1035	31/12/92
205	225	Compass Group	508.8	464	206	345.1	320.9	7.5	34.9	32.0	9.1	41.8	19972	27/09/92
206	270	Brixton Estate	507.5	161	0	N/R	N/R	0.0	28.5	27.4	4.1	7.5	93	31/12/92
207	185	British Vita	506.0	622	136	788.5	694.3	13.6	55.2	50.4	9.5	24.8	12746	31/12/92
208	220	Ocean Group	505.1	306	89	1429.1	1345.5	6.2	16.0	51.0	-68.6	7.7	11700	31/12/92
209	187	Scapa Group	498.6	591	204	347.3	300.2	15.7	47.0	44.6	6.3	19.1	6422	31/03/93
210	245	Taylor Woodrow	493.1	613	105	1226.0	1394.5	-12.1	-66.1	-2.7	0.0	0.0	10268	31/12/92
211	152	Charter	493.1	611	170	537.7	462.5	16.3	289.2	85.5	238.2	54.5	6521	31/03/93
212	250	Amersham International	483.8	431	231	269.3	273.5	-1.5	26.3	20.7	27.1	17.1	3261	31/03/93
213	183	Weir Group	478.5	561	193	401.7	424.1	-5.3	39.2	34.2	14.5	30.1	6267	01/01/93
214	195	AAH Holdings	470.3	171	91	1402.1	1256.1	11.6	37.3	38.6	-3.9	21.3	6471	31/03/93
215	217	Fine Art Developments	468.3	495	220	311.5	287.3	8.4	34.4	29.7	15.8	30.9	4613	31/03/93
216	222	Caledonia Investments	451.8	131	0	N/R	N/R	0.0	36.0	34.7	3.7	7.5	1088	31/03/93
217	303	Invesco MIM	449.6	122	0	N/R	N/R	0.0	12.6	14.5	-13.3	15.8	1209	31/12/92
218	215	Calor Group	448.9	214	221	311.0	362.2	-14.1	33.6	45.0	-25.3	14.6	2392	31/12/92
219	267	Albert Fisher Group	447.6	451	108	1176.0	1095.6	7.3	52.1	89.0	-41.5	14.6	6696	31/08/92
220	181	First Leisure Corporation	446.0	461	343	108.5	108.7	-0.2	31.1	30.4	2.3	11.5	3756	31/10/92
221	223	London and Manchester Group	442.3	141	0	N/R	N/R	0.0	23.4	21.2	10.3	0.0	3452	31/12/92
222	264	Marley	441.3	611	162	569.0	574.3	-0.9	8.1	25.0	-67.6	6.3	9773	31/12/92
223	230	Croda International	432.9	621	200	362.9	352.5	3.0	29.8	21.3	39.9	19.3	4340	31/12/92
224	210	Northumbrian Water Group	427.3	221	236	252.1	203.5	23.9	69.4	61.1	13.6	10.5	2903	31/03/93
225	232	Highland Distilleries	421.1	422	288	169.4	163.4	3.7	28.7	28.2	2.0	18.6	374	31/08/93
226	262	St James's Place Capital	410.1	122	0	N/R	N/R	0.0	9.0	18.4	-51.1	3.7	85	31/03/93
227	237	Wickes	406.3	611	167	548.4	542.6	1.1	6.6	-6.7	0.0	11.5	4497	31/12/92
228	231	Hazlewood Foods	403.3	451	138	761.8	632.4	20.5	55.0	51.3	7.3	25.5	9749	31/03/93
229	243	Halma	398.3	563	332	116.1	94.5	22.8	20.9	14.2	46.9	45.9	1902	31/03/93
230	235	McKechnie	394.3	671	227	286.9	300.1	-4.7	24.1	19.9	20.8	17.1	5762	31/07/92
231	430	Danka Business Systems	391.7	482	276	186.3	115.0	61.9	17.5	10.8	62.8	83.0	2116	31/03/93
232	255	Bryant Group	391.4	614	222	309.7	322.9	-4.1	18.3	20.3	-9.9	9.8	796	31/05/93
233	207	Laird Group	386.1	591	158	600.7	523.8	14.7	36.2	21.3	70.0	21.4	10725	31/12/92
234	273	Wassall	383.5	534	238	251.1	165.2	52.0	17.8	10.3	73.4	24.9	3557	31/12/92
235	200	Transport Development Group	380.6	302	152	599.5	584.3	2.6	33.5	16.9	98.4	11.8	10809	31/12/92
236	289	Lex Service	379.7	571	154	620.2	598.6	3.6	107.0	-50.1	0.0	45.5	4706	31/12/92
237	258	Powell Duffryn	375.3	306	165	615.1	659.4	-6.7	21.6	35.4	-39.0	11.6	8498	31/03/93
238	257	Airtours	374.8	301	191	405.6	289.5	40.1	36.5	27.5	32.8	8.3	1321	30/09/92
239	224	UniChem	370.2	433	114	1048.7	920.1	14.0	31.9	21.4	49.0	27.9	4438	31/12/92
240	239	Wilson (Connolly) Holdings	361.9	613	288	201.3	197.9	1.7	16.6	27.1	-38.0	7.7	768	31/12/92
241	218	Attwoods	361.8	406	190	410.0	340.9	20.3	-62.2	25.1	0.0	0.0	5678	31/07/93
242	344	Peel Holdings	361.4	161	0	N/R	N/R	0.0	9.4	7.0	34.3	7.2	458	31/03/93
243	308	Cowie (T.)	358.9	571	156	605.9	564.9	7.3	24.3	18.2	33.6	55.4	2469	31/12/92
244	260	Wilson Bowden	357.2	614	324	127.7	135.9	-6.0	16.9	27.8	-39.2	11.2	681	31/12/92
245	246	Saatchi & Saatchi	356.3	475	0	N/R	5072.8	0.0	-595.1	-52.4	0.0	0.0	12482	31/12/92
246	244	Monument Oil and Gas	347.1	213	401	38.8	38.6	0.4	4.8	6.2	-23.3	4.6	42	31/12/92
247	256	Low & Bonar Group	339.2	652	224	307.3	307.7	-0.1	8.1	21.6	-62.6	7.5	4236	30/11/92
248	199	Invergordon Distillers	339.1	422	368	85.0	92.4	-8.0	32.5	28.0	16.1	45.1	525	31/12/92
249	316	Berkeley Group	338.4	614	279	182.0	126.4	44.0	15.8	12.6	25.5	12.0	424	30/04/93
250	238	Vaux Group	333.1	421	243	247.3	267.2	-7.5	30.9	34.3	-10.0	7.4	7859	03/10/92

■ ACCOUNTING STANDARDS

Handle numbers with extreme care

Andrew Jack discusses the disparities in regulations governing reporting practices in countries across Europe and examines, in particular, the radical revisions being made in the United Kingdom

Rarely in the subject of financial reporting has so much flux affected [illegible] many companies across Europe in such a short period.

Radical changes in regulation, accounting and in the search for finance are causing enormous alteration, and presenting new challenges and opportunities to readers of company accounts.

Probably the most eye-catching example of reform came in September last [illegible] when Daimler-Benz, Germany's biggest industrial company, released first half results which plunged from a [illegible] profit of DM965m to a net loss of DM949m.

The unexpected swing of nearly DM2bn was the result of a [illegible] format [illegible] reporting, forced by its need to comply with US accounting standards so that it could gain a listing on the New York stock exchange last October.

Under Germany standards, Daimler-Benz continued to show profits of DM168m in the first [illegible] months of the year, compared with DM1.02bn in the [illegible] period in [illegible]. The principal difference between the [illegible] of figures [illegible] that German accounting allows [illegible] to [illegible] operating [illegible].

"It [illegible] that [illegible] that [illegible] apply a [illegible] adjustment ratio [illegible] convert Germany to British figures is ridiculous," [illegible] Christopher Nobes, Coopers [illegible] Lybrand professor of accounting [illegible] Reading University, [illegible] specialises in international accounting trends. "It was always crazy to try to say that [illegible] multiply by two [illegible] other."

[illegible] – [illegible] is likely [illegible] be [illegible] by [illegible] companies – has [illegible] to [illegible] its [illegible] as part [illegible] a search [illegible] from its traditional supporters: domestic banks.

But [illegible] from international investor [illegible] for change, [illegible] are having to adjust to [illegible]. Probably [illegible] most striking instance is in the UK, which is in the midst of radical revisions to accounting standards. The Accounting Standards Board (ASB) has considerably more powers than its predecessor body. A legal opinion last year suggested its guidelines have the force of law.

A separate body [illegible] same parent institution called [illegible] Financial Reporting [illegible] Panel [illegible] companies to restate their accounts if they do not comply with standards in force. One of the most significant changes brought about by the ASB is FRS 1, the financial reporting standard on the cash flow statement. Over the past few months, FRS 3, a standard [illegible] profit [illegible] loss account, [illegible] also [illegible] fully into force.

[illegible] all but [illegible] extraordinary items, brings all remaining such charges above the earnings line, and introduces new disclosure requirements.

The ASB's urgent issues task force has also been active, issuing a range of abstracts including a highly controversial one requiring the difference between the purchase and sale price of an acquisition once sold to be passed through the profit and loss account.

British companies are now also beginning to reflect in their accounts mooted [illegible] changes, including a tougher line on [illegible] masquerading [illegible] equity, and on the treatment of off-balance sheet finance.

Elsewhere [illegible] Europe, [illegible] still present accounts according [illegible] tax legislation (which [illegible] emphasise lower profits) rather than the "Anglo-Saxon" model geared more [illegible] investors. [illegible] changing.

Professor [illegible] Norway, Sweden, Finland and France [illegible] all moving towards disentangling [illegible] tax from their accounting systems in response to the search [illegible] capital markets:

In Italy, companies will [illegible] begin complying with the requirements of the EC fourth directive, which requires a different format, greater disclosures [illegible] the [illegible] an audit. In Portugal, companies will begin to comply [illegible] time with [illegible] on consolidated [illegible].

Generally, comparisons between European companies [illegible] jurisdictions remain highly fraught.

[illegible] particularly [illegible] discrepancies in reporting [illegible] anything affected by tax, [illegible] as depreciation, long-term contracts and provisions.

He highlights [illegible] in valuations of [illegible] historical [illegible] in Germany, and at 1991 and 1984 values in Italy and Spain respectively, reflecting [illegible] countries required mandatory revaluations. He [illegible] discrepancies in the treatment [illegible] inventories (last-in, first-out [illegible] in Italy [illegible] non-existent in [illegible] UK), and [illegible] treatment [illegible] goodwill, joint [illegible] associates.

National [illegible] increasingly recognising [illegible] importance of requirements [illegible] transcend their [illegible] tries' [illegible] borders.

Meanwhile, the [illegible] Accounting Standards Committee continues [illegible] strive for a set of rules with fewer alternatives which may be given renewed credibility if ratified by Iosco, the international organisation of securities commissions.

[illegible] such [illegible] still a long way [illegible]. In [illegible] meantime, readers [illegible] accounts [illegible] numbers [illegible] care.

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Ranking 1993	1992 company	Market capital £m	[illegible]	[illegible]	Turnover this year £m	Turnover last year £m	per cent change	Profit this year £m	Profit last year £m	per cent change		ROCE	employees	Year ending
1	2 BT	28832.4	223	[illegible]	[illegible]	13337.0	-0.7	1972.0	3073.0	-35.8		15.0	170700	31/03/93
2	3 Shell Transport & Trading	22207.2	212	0			[illegible]	0.0	0.0	0.0		0.0	0	
3	1 Glaxo Holdings	19127.5	433	[illegible]	[illegible]	[illegible]	[illegible]	1675.0	[illegible]	17.4		40.1	40024	30/06/93
4	10 HSBC Holdings	17931.9	112	[illegible]	N/R	N/R	0.0	[illegible]	[illegible]	[illegible]		38.2	89148	31/12/92
5	6 British Petroleum	17677.0	212	1	[illegible]	[illegible]	[illegible]	112.0	[illegible]	-90.7		3.9	105750	31/12/92
6	4 BAT Industries	14812.1	171	2	[illegible]	13817.0	[illegible]	1645.0	981.0	[illegible]		7.7	197989	31/12/92
7	7 British Gas	14201.5	222	5	[illegible]	[illegible]	[illegible]	846.0	1469.0	-42.4		11.3	79377	31/12/92
8	11 BTR	12543.8	591	[illegible]	[illegible]	[illegible]	31.1	1095.0	[illegible]	[illegible]		22.9	135133	31/12/92
9	9 Hanson	12055.0	171	[illegible]	[illegible]	7691.0	14.4	1286.0	1316.0	-2.3		16.4	75000	30/09/93
10	12 Marks and Spencer	10739.2	491	12	[illegible]	[illegible]	2.1	[illegible]	589.0	[illegible]		23.0	62080	31/03/93
11	5 SmithKline Beecham	10233.6	433	17	[illegible]	[illegible]	11.4	1115.0	[illegible]	11.3		46.4	53700	31/12/92
12	20 Cable & Wireless	9711.1	223	[illegible]	[illegible]	[illegible]	[illegible]	918.0	[illegible]	[illegible]		26.0	39837	31/03/93
13	18 General Electric Company	9700.5	541	[illegible]	5612.0	5774.0	[illegible]	863.0	[illegible]	4.1		23.3	93228	31/03/93
14	15 Grand Metropolitan	8678.3	421	10	7913.0	[illegible]	[illegible]	[illegible]	[illegible]	106.5		26.6	102405	30/09/92
15	13 Unilever	8565.5	451	0	N/R	[illegible]	0.0	0.0	[illegible]	0.0		0.0	0	
16	8 Guinness	8491.3	421	25	4363.0	[illegible]	[illegible]	795.0	956.0	-16.8		26.8	24538	31/12/92
17	21 National Westminster Bank	8383.5	112	0	N/R	[illegible]	0.0	[illegible]	[illegible]	[illegible]	<	14.4	85900	31/12/92
18	28 Barclays	8358.7	112	0	N/R	N/R	[illegible]	[illegible]	[illegible]	[illegible]	<	0.7	76852	31/12/92
19	14 Sainsbury J	7666.6	493	7	[illegible]	[illegible]	11.4	732.8	[illegible]	[illegible]		22.9	120119	13/03/93
20	22 Lloyds Bank	7397.5	112	0	N/R	N/R	0.0	[illegible]	[illegible]	[illegible]	<	37.7	67063	31/12/92
21	19 RTZ Corporation	7213.7	634	41	3249.0	3552.0	-8.5	537.0	435.0	23.4		13.1	68298	31/12/92
22	0 Zeneca	6794.6	433	30	3979.0	[illegible]	[illegible]	[illegible]	[illegible]	-80.8		11.2	33900	31/12/92
23	25 Reuters Holdings	6669.1	474	83	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	10185	[illegible]
24	26 Prudential Corporation	6442.6	141	0	N/R	N/R	0.0	[illegible]	182.0	123.1		0.0	23619	[illegible]
25	17 Wellcome	6021.7	433	77	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		37.0	17706	[illegible]
26	31 Great Universal Stores	5560.8	493	47	2810.4	2597.1	8.2	476.0	443.6	7.1		14.3	29631	31/03/93
27	30 Abbey National	5388.1	112	0	[illegible]	N/R	[illegible]	564.0	[illegible]	-8.7		21.0	[illegible]	[illegible]
28	16 Imperial Chemical Industries	5160.4	622	4	12061.0	12488.0	-3.4	[illegible]	843.0	0.0		0.0	117500	31/12/91
29	36 Vodafone	5060.0	223	146	684.1	585.3	13.5	[illegible]	271.8	18.7		69.3	2333	31/03/93
30	24 Allied-Lyons	5031.7	421	16	5266.0	5360.0	-1.8	[illegible]	439.0	16.0		14.3	25810	06/03/93
31	35 National Power	5023.7	221	26	[illegible]	[illegible]	-7.5	[illegible]	514.0	[illegible]		[illegible]	9934	28/03/93
32	27 Boots Company	4983.4	492	31	3962.1	3655.7	8.4	405.2	[illegible]	8.3		[illegible]	79738	31/03/93
33	33 BAA	4949.3	306	183	482.0	903.0	-49.9	286.0	[illegible]	49.2		12.7	8417	31/03/93
34	41 Kingfisher	4316.3	491	36	3547.9	3388.8	4.7	204.8	195.7	4.6		16.8	62799	30/01/93
35	40 Thorn Emi	4083.0	461	23	4452.3	3954.4	12.6	289.9	147.9	96.0		24.6	49433	31/03/93
36	39 Reed International	4056.1	472	107	[illegible]	[illegible]	5.0	137.1	[illegible]	10.2		31.1	18100	[illegible]
37	28 Bass	3965.5	421	27	4307.0	4383.0	-1.7	501.0	430.0	16.5		11.7	84095	30/09/92
38	29 Tesco	3872.3	493	11	[illegible]	7097.4	6.8	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]	27/02/93
39	34 Rothmans International	3836.2	425	50	[illegible]	2410.2	12.4	[illegible]	[illegible]	[illegible]		27.8	20370	31/03/93
40	38 Cadbury Schweppes	3734.3	451	39	3372.4	3232.3	4.3	[illegible]	314.7	[illegible]		33.9	36579	[illegible]
41	53 Land Securities	3439.8	161	0	N/R	N/R	0.0	[illegible]	227.5	[illegible]		8.1	547	[illegible]
42	49 British Airways	3405.8	301	14	5566.0	[illegible]	6.5	[illegible]	[illegible]	-57.4		11.4	48960	31/03/93
43	47 Powergen	3347.9	221	[illegible]	3188.0	[illegible]	2.9	[illegible]	[illegible]	18.4		21.5	5715	[illegible]
44	54 TSB Group	3336.4	112	[illegible]	N/R	[illegible]	0.0	[illegible]	-47.0	[illegible]		6.5	36715	[illegible]
45	32 Argyll Group	3301.2	493	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	14.5		[illegible]	65937	03/04/93
46	45 Commercial Union	3293.2	151	0	N/R	N/R	0.0	[illegible]	[illegible]	0.0		0.0	[illegible]	[illegible]
47	46 General Accident	3159.1	151	0	N/R	[illegible]	0.0	[illegible]	-171.6	0.0		0.0	[illegible]	[illegible]
48	50 P & O Steam Navigation	3121.8	303	15	[illegible]	[illegible]	[illegible]	270.4	[illegible]	16.1		[illegible]	71133	[illegible]
49	69 Scottish Power	3113.4	221	87	[illegible]	[illegible]	7.3	297.1	[illegible]	14.0		[illegible]	8724	31/03/93
50	43 Sun Alliance Group	3103.1	151	0	N/R	N/R	0.0	-129.6	-468.2	0.0		0.0	16239	31/12/92
51	44 Lloyds Abbey Life	3040.9	141	[illegible]	N/R	N/R	0.0	[illegible]	[illegible]	[illegible]		0.0	10230	[illegible]
52	37 BOC Group	2981.9	622	[illegible]	2731.2	[illegible]	[illegible]	[illegible]	[illegible]	-30.7		14.0	38702	[illegible]
53	51 Pearson	2956.5	472	[illegible]	[illegible]	[illegible]	1.8	[illegible]	[illegible]	-16.0		[illegible]	27966	[illegible]
54	63 Redland	2945.2	611	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	18.9		15.2	[illegible]	[illegible]
55	42 Inchcape	2897.4	171	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	38573	[illegible]
56	73 Tomkins	2670.8	671	[illegible]	[illegible]	1274.2	[illegible]	171.0	132.1	[illegible]		30.0	30511	[illegible]
57	61 Rank Organisation	2667.5	461	62	2090.0	2114.2	-0.9	230.1	250.5	-8.1		12.4	41991	31/10/92
58	84 Royal Bank of Scotland Group	2598.4	112	0	N/R	N/R	0.0	20.9	57.7	[illegible]		[illegible]	23457	[illegible]
59	90 British Steel	2570.6	633	28	[illegible]	[illegible]	-6.4	[illegible]	[illegible]	0.0		[illegible]	[illegible]	[illegible]
60	52 Whitbread	2523.1	421	[illegible]	[illegible]	[illegible]	7.1	177.0	118.6	[illegible]		[illegible]	[illegible]	27/02/93
61	64 Legal & General Group	2309.9	141	0	N/R	N/R	0.0	116.1	38.8	199.2		0.0	8077	[illegible]
62	48 Reckitt & Colman	2328.3	431	72	1904.3	[illegible]	-4.2	181.7	234.0	-22.3		[illegible]	20800	02/01[illegible]
63	59 Bowater Industries	2261.7	651	[illegible]	1610.0	1206.1	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	22100	[illegible]
64	100 Standard Chartered	2247.7	112	0	N/R	N/R	[illegible]	202.0	205.3	-1.6		29.3	2959	31/12/92
65	55 Enterprise Oil	2189.7	213	[illegible]	[illegible]	[illegible]	10.5	144.9	114.4	26.7		10.8	655	31/12/92
66	56 Associated British Foods	2153.8	451	[illegible]	3954.0	[illegible]	0.0	[illegible]	464.7	0.0		[illegible]	51724	30/09/92
67	57 Ladbroke Group	2115.9	461	[illegible]	[illegible]	[illegible]	10.1	[illegible]	[illegible]	[illegible]		[illegible]	52894	[illegible]
68	96 Granada Group	2103.8	461	95	[illegible]	1364.1	-1.8	[illegible]	[illegible]	[illegible]		20.7	[illegible]	26/09/92
69	62 Thames Water	2098.4	221	115	1042.6	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]	31/03/93
70	74 Siebe	2079.8	591	61	1616.6	[illegible]	[illegible]	185.1	[illegible]	[illegible]		22.1	29644	03/04/93
71	65 Rentokil Group	2072.7	622	161	466.0	389.0	19.8	122.4	[illegible]	29.3		80.3	[illegible]	31/12/92
72	58 Courtaulds	2071.3	621	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		27.8	21600	31/03/93
73	117 Royal Insurance Holdings	1976.3	151	0	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	0.0		[illegible]	15890	31/12/92
[illegible]	106 Blue Circle [illegible]	1947.4	611	[illegible]	[illegible]	1149.4	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	22186	31/12/92
75	60 [illegible] & [illegible]	1945.9	421	[illegible]	1514.4	1487.0	1.8	182.6	209.1	-12.7		13.7	28487	02/05/93
76	76 Bank of Scotland	1937.7	112	0	[illegible]	[illegible]	0.0	[illegible]	140.7	-10.9		14.3	17150	28/02/93
77	115 MEPC	1925.7	161	0	N/R	[illegible]	0.0	[illegible]	143.3	-23.5		6.7	[illegible]	30/09/92
78	97 Forte	1924.2	464	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	176.0		7.4	81000	31/01/93
79	70 Severn Trent	1910.8	221	125	[illegible]	[illegible]	10.1	270.1	[illegible]	-1.4		[illegible]	10519	31/03/93
[illegible]	66 North West Water	1907.1	221	130	877.9	[illegible]	11.3	247.1	[illegible]	7.4		13.9	8061	31/03/93
81	77 Guardian Royal [illegible]	1847.5	151	[illegible]	N/R	[illegible]	0.0	160.0	56.0	[illegible]		0.0	[illegible]	31/12/92
82	67 United Biscuits (Holdings)	1837.8	451	44	[illegible]	2979.1	4.7	[illegible]	[illegible]	-17.7		20.8	[illegible]	01/02/93
83	80 Rolls-Royce	1808.4	521	[illegible]	[illegible]	3515.0	1.3	[illegible]	61.0	[illegible]		[illegible]	55000	31/12/92
84	75 Arjo Wiggins Appleton	1735.8	652	61	[illegible]	[illegible]	5.5	161.1	[illegible]	-30.4		[illegible]	[illegible]	31/12/92
85	123 Wolseley	1729.9	611	53	[illegible]	[illegible]	[illegible]	[illegible]	91.0	33.0		[illegible]	16318	31/07/93
86	98 Warburg S.G. Group	1704.8	121	[illegible]	[illegible]	[illegible]	0.0	[illegible]	[illegible]	-10.9	<	[illegible]	2995	31/03/93
87	91 Sears	1688.8	492	[illegible]	[illegible]	[illegible]	-0.7	-47.8	22.8	0.0		0.0	[illegible]	31/01/93
88	133 Asda Group	1673.9	493	[illegible]	[illegible]	[illegible]	1.9	142.1	[illegible]	0.0		11.7	69266	03/05/93
89	94 Coats Viyella	1645.6	412	61	[illegible]	[illegible]	[illegible]	109.1	[illegible]	[illegible]		[illegible]	62	31/12/92
90	130 Schroders	1607.1	121	0	N/R	[illegible]	0.0	[illegible]	[illegible]	17.6	<	17.9	1448	31/12/92
91	173 British Aerospace	1583.4	523	[illegible]	[illegible]	[illegible]	-5.5	[illegible]	-112.0	0.0		0.0	[illegible]	31/12/92
92	82 TI Group	1581.8	586	110	1149.3	[illegible]	[illegible]	[illegible]	[illegible]	-16.9		29.2	[illegible]	31/12/92
93	81 Williams Holdings	1576.0	591	117	[illegible]	1001.7	[illegible]	161.3	[illegible]	-4.2		35.9	[illegible]	31/12/92
94	78 Anglian Water	1559.8	221	[illegible]	523.1	[illegible]	[illegible]	171.3	[illegible]	[illegible]		11.9	5224	31/03/93
95	126 RMC Group	1559.6	611	[illegible]	[illegible]	[illegible]	[illegible]	166.6	[illegible]	-0.5		[illegible]	26307	31/12/92
96	101 Southern Electric	1530.2	221	75	1796.5	[illegible]	2.6	187.3	[illegible]	[illegible]		27.1	[illegible]	31/03/93
97	112 BICC	1523.3	541	[illegible]	[illegible]	3452.0	[illegible]	77.0	81.0	-4.9		13.3	40116	31/12/92
98	105 Eastern Electricity	1509.7	221	71	[illegible]	1676.1	[illegible]	183.4	143.1	28.2		[illegible]	[illegible]	31/03/93
99	72 Smith & Nephew	1498.5	431	131	[illegible]	[illegible]	8.3	164.6	[illegible]	119.9		29.1	13597	31/12/92
100	71 NFC	1489.6	306	[illegible]	[illegible]	[illegible]	3.6	[illegible]	[illegible]	[illegible]		20.1	33850	03/10/92
101	79 Carlton Communications	1488.4	474	[illegible]	[illegible]	[illegible]	18.1	[illegible]	[illegible]	15.2		[illegible]	[illegible]	30/09/92
102	99 Scottish Hydro-Electric	1472.7	221	142	717.8	[illegible]	7.2	[illegible]	122.7	19.3		[illegible]	[illegible]	31/03/93
103	89 Burmah Castrol	1466.5	214	65	2386.6	[illegible]	[illegible]	[illegible]	[illegible]	33.8		18.7	22450	31/12/92
104	93 Caradon Group	1463.3	171	145	[illegible]	[illegible]	[illegible]	125.7	[illegible]	18.1		21.8	10290	31/12/92
105	68 Northern Foods	1430.8	451	[illegible]	[illegible]	1444.2	[illegible]	163.0	[illegible]	21.4		51.4	20219	31/03/93
106	95 Eurotunnel	1356.7	613	0	[illegible]	N/R	[illegible]	0.0	0.0	0.0		0.0	0	
107	132 BPB Industries	1338.0	611	112	[illegible]	1021.0	10.1	57.6	[illegible]	[illegible]		9.9	[illegible]	31/03/93
108	86 Tate & Lyle	1337.7	451	[illegible]	[illegible]	3221.1	[illegible]	189.5	230.8	-17.9		17.1	17004	26/09/92
109	163 Tarmac	1321.0	613	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	21.0	0.0		0.0	28590	31/12/92
110	122 United Newspapers	1318.3	473	[illegible]	[illegible]	[illegible]	1.5	[illegible]	[illegible]	[illegible]		[illegible]	11862	31/12/92
111	110 Harrisons & Crosfield	1315.3	512	69	1933.0	[illegible]	[illegible]	85.0	71.2	19.4		14.3	32177	31/12/92
112	85 De La Rue	1313.8	472	[illegible]	[illegible]	415.4	[illegible]	104.7	77.9	34.4		29.2	8599	31/03/93
113	92 English China Clays	1249.0	631	120	[illegible]	971.8	[illegible]	[illegible]	79.0	26.8		11.6	7790	31/12/92
114	119 Laporte	1242.7	622	174	521.8	424.2	23.0	[illegible]	96.4	-10.2		21.0	5360	31/12/92
115	118 London Electricity	1239.7	221	[illegible]	1367.0	1347.0	1.5	[illegible]	143.0	2.1		[illegible]	6258	31/03/93
116	103 BET	1209.8	171	[illegible]	[illegible]	[illegible]	-7.2	[illegible]	[illegible]	[illegible]		3.1	[illegible]	27/03/93
117	104 GKN	1209.1	571	67	[illegible]	[illegible]	[illegible]	121.8	[illegible]	77.3		15.7	29495	31/12/92
118	120 Midlands Electricity	1208.9	221	84	1538.9	1454.1	5.7	167.1	142.1	17.6		23.1	7276	31/03/93
119	113 Yorkshire Electricity	1208.7	221	[illegible]	[illegible]	[illegible]	-1.3	166.3	141.9	10.1		27.2	6850	31/03/93
120	157 Mercury Asset Management	1198.5	122	[illegible]	[illegible]	N/R	[illegible]	[illegible]	[illegible]	26.4		51.3	624	31/03/93
121	88 Smith (W.H.) Group	1197.1	495	[illegible]	[illegible]	[illegible]	6.7	[illegible]	108.1	5.3		[illegible]	30088	29/05/93
122	125 East Midlands Electricity	1173.7	221	82	1570.0	1543.6	1.7	155.1	150.0	3.4		23.6	[illegible]	31/03/93
123	138 Pilkington	1164.7	611	[illegible]	[illegible]	2611.0	-1.5	40.7	95.7	-57.5		5.9	[illegible]	31/03/93
124	83 Fisons	1147.2	433	[illegible]	[illegible]	[illegible]	3.6	123.6	[illegible]	[illegible]		27.8	14477	31/12/92
125	208 British Land	1140.1	161	0	N/R	N/R	0.0	34.6	33.3	3.9		8.0	210	31/03/93

■ **Footnotes to companies listed on this page**

2 Shell Transport & Trading, [illegible] Royal Dutch/Shell entry in European table.
7 British Gas, figures prepared according to current [illegible] accounting. [illegible] figures are [illegible] forma for [illegible] months [illegible] 91.
15 Unilever, see entry for Unilever plc/NV in European table.
17 National Westminster Bank, employees = UK average.
[illegible] Barclays, employees = UK average.
[illegible] Zeneca, demerger from Imperial Chemical Industries. Stock Exchange listing 6/93.
36 Reed International, change of year end to December. Last year's figures are pro forma [illegible] nine months [illegible].
[illegible] Cadbury Schweppes, this year's figures are [illegible] 53 weeks [illegible] 2/3/93
44 TSB Group, employees = [illegible] average.
46 Commercial Union, employees = UK average
47 [illegible] Accident, employees = UK average.
[illegible] Legal [illegible] General Group, employees = UK average.
[illegible] Standard Chartered, employees = UK average
66 Associated British Foods, last year's figures for 76 weeks [illegible] 14/9/91.
[illegible] Royal Insurance Holdings, employees = UK [illegible]
82 United Biscuits (Holdings), this year's figures are for 53 weeks to 2/1/93.
86 Warburg S.G. [illegible]p, empl[illegible] = UK average.
[illegible] [illegible] Group, last [illegible] figures for [illegible]
90 Schroders, profit = profit [illegible] and transfer to inner reserves. Employees = UK average.

West End still the favourite location

هكذا من الآجل

Handle numbers with extreme care

Andrew Jack [illegible]

■ UK500 CORPORATE HEADQUARTERS

West End still the favourite location

London still accounts for roughly 40 per cent of all UK500 company headquarters — Trevor Humphries

Rhys David scrutinises the addresses of corporate Britain and discovers that London remains the business capital, with Birmingham the runner-up and Readin[illegible] edging out Edinburgh and Leeds for third place

Business bosses may complain about the congestion on the roads and troubles on the trains but the West End [illegible] London is still the place [illegible] favoured by [illegible] companies for their headquarters. [illegible] [illegible] [illegible] 24.)

[illegible] area which takes in Oxford Street and Mayfair and extends through Kensington towards London Airport, boasts 57 corporate headquarters, five more than the City of London with [illegible] and 15 ahead of south-west London, the area incorporating Knightsbridge and Chelsea, and extending south into Wimbledon.

London's dominant position overall [illegible] the business capital [illegible] [illegible] UK emerges from an analysis of the addresses [illegible] the top 500 (to be published [illegible] month [illegible] [illegible] expanded reprint [illegible] the FT500).

In spite [illegible] the relocations that have taken place over recent [illegible] to [illegible] around the M25 orbital motorway, and in some cases to other parts [illegible] the country, the London postal districts combined still [illegible] for [illegible] [illegible] roughly [illegible] [illegible] [illegible] [illegible] all UK500 company headquarters.

There [illegible] nevertheless, some surprises in the location list, which uses UK post code areas – in effect Britain's city regions – as its geographical basis. Birmingham, with 21 headquarters justifies its claim to be Britain's second business centre. Somewhat more unexpectedly, Reading, a [illegible]ficiary of some out-of-London moves,is [illegible] [illegible] most popular provincial location, [illegible] [illegible] to 13 companies.

Edinburgh and Leeds with 12 [illegible] – a score also equalled by Slough – [illegible] [illegible] [illegible] their usually higher-profile rivals, [illegible] [illegible] and Manchester, [illegible] [illegible] Bradford also [illegible] well with nine company headquarters.

A number [illegible] big [illegible] such as [illegible], Cardiff, Coventry and Sheffield [illegible] relatively badly with only two apiece, while Aberdeen, in spite of its position [illegible] Britain's [illegible] capital, [illegible] only [illegible], [illegible] [illegible] do Portsmouth, Southampton, and Croydon.

Former new towns Hemel [illegible], Milton Keynes, and Peterborough, (six each), [illegible] [illegible] more strongly, with Liverpool [illegible] Derby on the [illegible] total, [illegible] of Huddersfield, Nottingham, Warrington and Redhill on five.

Regionally, [illegible] with [illegible] headquarters [illegible] 40 quoted companies, the [illegible] Midlands [illegible], the [illegible] Valley [illegible] and [illegible] North [illegible] [illegible] [illegible] Britain's [illegible] significant regions [illegible] London, followed by [illegible] [illegible].

[illegible] [illegible] [illegible] company headquarters [illegible] thinly spread, with Wales, [illegible] [illegible] [illegible] England, [illegible] Anglia, [illegible]thern Ireland [illegible] the North [illegible], home [illegible] only a [illegible] companies with strong local [illegible].

In the European list [illegible] chart [illegible] page [illegible] the UK, with Europe's big [illegible] [illegible]ket, is [illegible] with 187 out [illegible] the [illegible] [illegible] [illegible] top companies or roughly 37 per [illegible] of the [illegible]. The [illegible] [illegible] of [illegible] list's [illegible] market capitalisation [illegible] [illegible] at 37 [illegible] cent – [illegible].5bn [illegible] of [illegible].

[illegible] has the [illegible] highest number [illegible] companies in [illegible] [illegible] (77) but [illegible] $310.2bn, [illegible] [illegible] capitalisation lags slightly behind that of Germany whose 67 companies were valued at $315.2bn. [illegible] has 17 companies [illegible] a mar[illegible] capitalisation [illegible] $187.5bn.

Italy, in spite [illegible] [illegible] [illegible] [illegible] [illegible] economy, manages only [illegible] companies [illegible] [illegible] list, [illegible] [illegible] $84.7bn, slightly [illegible] [illegible] much smaller Sweden, [illegible] [illegible] 22 companies valued [illegible] $83.4bn. Spain [illegible] only [illegible] fewer companies in [illegible] [illegible] than Italy but [illegible] [illegible] capitalisation, $85.2bn, is marginally greater. [illegible] contrast, its Iberian neighbour [illegible] [illegible] bottom of the list, Portugal, has only one representative, three fewer [illegible] Ireland, Luxembourg [illegible] [illegible]tria.

■ **A-Z list of the UK top 500**

Company	Rank
[illegible]	**RANK**
AAH Holdings	214
[illegible] National	[illegible]
ACT Group	255
Adwest Group	403
[illegible]	235
[illegible] Fisher [illegible]	219
Allied Colloids Group	[illegible]
Allied Textile Companies	[illegible]
Allied-Lyons	30
Amec	318
Amersham International	212
Amstrad	300
Anglia Television Group	362
Anglian Group	277
Anglian [illegible]	94
[illegible]	282
[illegible]	137
[illegible] Group	46
Arjo Wiggins [illegible]n	84
Asda Group	88
[illegible] (Laura) [illegible]	[illegible]
Asprey	302
Associated [illegible] [illegible]	66
[illegible] British Ports	159
[illegible] [illegible]	[illegible]
ASW Holdings	410
Attwoods	241
Automated [illegible]rity (Holdings)	385
Avon Rubber	414
B	**RANK**
B.B.G. International	352
[illegible]	33
[illegible] [illegible]	367
Baird (William)	259
Bank of Scotland	78
Barclays	18
Bardon	312
Barratt Developments	251
Bass	[illegible]
[illegible] [illegible]	[illegible]
BBA Group	178
Bellway	331
[illegible] Corporation	482
Berisford International	423
Berkeley Group	249
[illegible]	420
BET	116
Betterware	335
BICC	97
Biton	284
[illegible] (Peter) Holdings	429
Blenheim Group	276
Blick	454
Blue Circle [illegible]	74
BOC Group	62
[illegible] [illegible]	258
[illegible] [illegible] International	252
Bodycote International	384
Booker	160
Boots [illegible]	32
Bowater Industries	63
Bowthorpe Holdings	[illegible]
BPB Industries	[illegible]
Bradford Property Trust	270
Brake Bros	310
[illegible]	[illegible]
Britannic Assurance	152
British Aerospace	91
British Airways	42
British Bio-technology Group	409
British Gas	[illegible]
British Land	125
British Petroleum	5
British Polythene Industries	[illegible]
British [illegible]	59
British [illegible]	207
Brixton Estate	206
Brown (David) Group	445
Brown (N) [illegible]	281
Bryant Group	[illegible]
BSS Group	442
BT	1
BTP	298
BTR	8
Bullough	394
Bulmer H P, Holdings	317
Bunzl	185
Burford [illegible]ings	400
Burmah Castrol	103
Burton Group	135
C	**RANK**
[illegible] Wireless	12
Cadbury [illegible]	40
Caledonia Investments	216
Calor Group	218
[illegible]	411
Capital Radio	[illegible]
Caradon [illegible]	[illegible]
Carclo Engineering	[illegible]
[illegible] [illegible]	101
[illegible]	393
Cater Allen Holdings	408
Cathay International Holdings	[illegible]
Cattle's Holdings	[illegible]
[illegible] [illegible] [illegible]	[illegible]
[illegible]	211
[illegible] [illegible]	493
[illegible] [illegible]	263
Chubb Security	143
City Centre Restaurants	376
[illegible] Garments [illegible]	417
[illegible] Brothers Group	[illegible]
Clyde Petroleum	341
Coats Viyella	89
[illegible] [illegible]	46
Compass Group	205
[illegible]	444
[illegible] Techniques	424
Cookson Group	130
Countryside Properties	471
[illegible]	72
[illegible] [illegible]	198
[illegible]	378
Cowie (T.)	243
Cray Electronics	253
Croda Internatio[illegible]	223
D	**RANK**
Daejan Holdings	339
Daily Mail [illegible] [illegible] Trust	144
[illegible]	127
Danka Business [illegible]	231
David Lloyd	[illegible]
Davis Service Group	[illegible]
Dawson International	279
Dawsongroup	422
De La Rue	112
Delta	164
Devro International	272
Dewhirst Group	473
Diploma	[illegible]
Dixons Group	[illegible]
Dobson Park Industries	[illegible]
Domestic & General	[illegible]
Domino Printing Sciences	443
Dorling Kindersley	[illegible]
Dunhill Holdings	188
E	**RANK**
East Midlands [illegible]	122
Eastern [illegible]	98
Edinburgh Fund [illegible]	[illegible]
EIS Group	382
[illegible]	149
Ellis & Everard	[illegible]
[illegible]	187
English [illegible] Clays	113
Enterprise Oil	65
[illegible]	[illegible]
[illegible]	296
Eurotunnel	[illegible]
Evans of Leeds	[illegible]
F	**RANK**
Fairey [illegible]	303
Farnell [illegible]	191
Ferguson [illegible] Hldgs	[illegible]
Field [illegible]	370
[illegible] Art [illegible]	215
First Leisure Corporation	220
First National Finance	399
Fisons	124
[illegible]	177
Forte	76
Forth Ports	[illegible]
FR Group	346
Frogmore Estates	328
G	**RANK**
Geest	294
Gen[illegible] Accident	[illegible]
General Electric Company	15
Gerrard & National	[illegible]
Gestetner Holdings	289
GKN	117
Glaxo Holdings	3
[illegible] [illegible]	[illegible]
Glynwed International	184
Grampian Holdings	494
Granada Group	66
Grand Metropolitan	14
Greenby	447
Great Portland Estates	180
Great Universal Stores	26
Greenalls Group	188
[illegible] [illegible]	313
Guardian Royal [illegible]	[illegible]
[illegible]	[illegible]
[illegible] Peat Group	[illegible]
H	**RANK**
Halma	229
Halstead [illegible] [illegible]	461
[illegible] Countrywide	[illegible]
Hambro Insurance	[illegible]
Hambros	161
[illegible] Property	168
Hanson	9
Hardy Oil & Gas	[illegible]
Harrisons & Crosfield	111
Hays	136
Hazlewood Foods	228
Heath C.E.	304
Henderson Administration Gp	[illegible]
Hepworth	163
Hewden Stuart	[illegible]
Heywood Williams Group	[illegible]
Hickson International	[illegible]
Highland [illegible]	[illegible]
[illegible] [illegible]	128
[illegible] [illegible]	[illegible]
Hogg Group	[illegible]
Hogg Robinson	[illegible]
Holliday [illegible]	[illegible]
[illegible] [illegible]	395
HSBC Holdings	4
Hunting	[illegible]
Huntingdon International	[illegible]
Huntleigh Technology	405
I	**RANK**
Ibstock Johnsen	381
Iceland [illegible] Foods Hldgs	200
IMI	147
Imperial Chemical [illegible]	28
[illegible]	55
[illegible]	[illegible]
[illegible] Distillers	248
[illegible] MIM	217
J	**RANK**
JIB Group	354
Johnson Group Cleaners	[illegible]
[illegible] Matthey	155
[illegible]	[illegible]
K	**RANK**
Kalon Group	333
[illegible] [illegible]	[illegible]
[illegible]	[illegible]
Kleinwort [illegible] [illegible]	189
[illegible] Save [illegible]	[illegible]
[illegible] [illegible]	[illegible]
L	**[illegible]**
Ladbroke Group	87
Laing (John)	262
Laird Group	[illegible]
Lamont Holdings	[illegible]
Land [illegible]	41
Laporte	114
[illegible]	109
Leeds Group	485
Legal & [illegible] Group	61
Leigh [illegible]	[illegible]
Lep Group	[illegible]
Lex [illegible]	[illegible]
Life [illegible] Int[illegible]	325
Lloyd Thompson Group	[illegible]
Lloyds Abbey Life	51
Lloyds Bank	20
Lloyds Chemists	268
Logica	391
London [illegible] [illegible] Group	221
London Electricity	115
London Forfaiting	327
London International [illegible]	[illegible]
London Merchant Securities	[illegible]
Lonrho	[illegible]
Low & Bonar Group	[illegible]
Low (William)	[illegible]
Lowndes Lambert Group	[illegible]
Lucas Industries	[illegible]
M	**RANK**
M & G Group	[illegible]
M. R. Data Management	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
MAI	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
Manweb	[illegible]
[illegible]	[illegible]
Marley	[illegible]
Marshalls	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
Mayflower Corporation	[illegible]
McAlpine (Alfred)	[illegible]
Mckechnie	[illegible]
Medeva	[illegible]
Meggitt	[illegible]
[illegible]	[illegible]
[illegible] (John)	[illegible]
[illegible]	[illegible]
Mercury Asset Management	[illegible]
Mersey Docks and Harbour Co	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
MFI Furniture Group	[illegible]
[illegible]	[illegible]
Midlands Electricity	[illegible]
Mirror Group Newspapers	[illegible]
Misys	[illegible]
ML [illegible]	[illegible]
Molins	[illegible]
[illegible]	[illegible]
More O'Ferrall	[illegible]
Morgan Crucible	[illegible]
Morland	[illegible]
Morrison (Wm) Supermarkets	[illegible]
Mowlem (John)	[illegible]
Mucklow (A. & J.) Group	[illegible]
N	**RANK**
National Express	[illegible]
National Power	[illegible]
[illegible]	[illegible]
Newman [illegible]	[illegible]
Next	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
Northern Electric	[illegible]
[illegible]	[illegible]
[illegible] Ireland Electricity	[illegible]
Northumbrian Water Group	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
O	**RANK**
[illegible] Group	[illegible]
[illegible] [illegible] Group	[illegible]
[illegible]	[illegible]
P	**RANK**
P & O Steam Navigation	[illegible]
[illegible] Food [illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
Peel Holdings	[illegible]
Pendragon	[illegible]
[illegible] Group	[illegible]
[illegible]	[illegible]
Perpetual	[illegible]
Persimmon Group	[illegible]
[illegible]	[illegible]
Pilkington	[illegible]
Plysu	[illegible]
Polypipe	[illegible]
[illegible] Holdings	[illegible]
Powell Duffryn	237
Powergen	43
Powerscreen International	[illegible]
Premier Consolidated Oilfields	[illegible]
Property Security [illegible] Tst	358
Proteus International	[illegible]
Prudential [illegible]	[illegible]
Prudential Corporation	24
R	**RANK**
[illegible] (remaining entries of the R and S sections)	[illegible]
T	**RANK**
T[illegible]	337
Tarmac	109
Tate & Lyle	105
Taunton Cider	329
Taylor Woodrow	210
[illegible]	384
[illegible] (remaining entries of the T section)	[illegible]
Trafalgar House	[illegible]
Transatlantic Holdings	[illegible]
Transfer Technology Group	[illegible]
Transport Development Group	[illegible]
Triplex Lloyd	[illegible]
TSB Group	[illegible]
TT Group	[illegible]
U	**RANK**
Unigate	[illegible]
Unilever	[illegible]
[illegible] (remaining entries of the U section)	[illegible]
V	**RANK**
Vaux Group	[illegible]
Vickers	[illegible]
Victaulic	[illegible]
Vinten Group	[illegible]
Vosper Thornycroft	[illegible]
VSEL Consortium	[illegible]
W	**RANK**
[illegible] (entries of the W section)	[illegible]
Y-Z	**RANK**
Yorkshire-Tyne Tees TV Holdings	[illegible]
Yule Catto	[illegible]
Zeneca	[illegible]

■ **European largest increases in profit**

Rank	Company	Cntry.	Sr	FT500 [illegible]	[illegible] [illegible]
1	[illegible] Hydro	Nor	214	[illegible]	7715.8
[illegible]	National [illegible] [illegible]	UK	112	[illegible]	[illegible]
[illegible]	[illegible] [illegible]	UK	551	480	219.6
4	Next	UK	[illegible]	[illegible]	[illegible]
5	Legal & [illegible] Group	UK	141	[illegible]	[illegible]
6	Badenwerk	[illegible]	221	269	189.1
[illegible]	Forte	UK	[illegible]	[illegible]	[illegible]
[illegible]	Guardian Royal Exchange	UK	151	[illegible]	167.9
9	Granada Group	UK	461	177	[illegible]
10	United Newspapers	UK	473	274	[illegible]
11	Pechiney International	[illegible]	672	187	[illegible]
12	[illegible] Industries	UK	571	[illegible]	123.6
13	Prudential Corporation	UK	141	66	123.1
[illegible]	Smith & Nephew	UK	431	[illegible]	119.9
15	Bunzl	UK	652	489	113.7
16	Audiofina	Lux	[illegible]	416	111.4
17	[illegible] Metropolitan	UK	421	[illegible]	[illegible]
18	Electrocomponents	UK	551	[illegible]	106.0
[illegible]	Springer (Axel)	[illegible]	472	426	99.6
20	MFI Furniture Group	UK	[illegible]	[illegible]	98.7
21	Thorn Emi	UK	461	67	96.0
22	Holzmann (Philipp)	Ger	613	310	94.4
23	HSBC Holdings	UK	[illegible]	8	94.3
24	Security [illegible]	UK	408	454	91.4
25	[illegible]	Swi	433	21	77.7

■ **European largest falls in profit**

Rank	Company	Cntry.	Sr	FT500 rank	[illegible] Chge
1	[illegible] d.y. Group	Nor	303	[illegible]	-97.9
2	[illegible]	Ita	151	499	-95.8
3	British Petroleum	UK	212	[illegible]	[illegible]
4	Cap Gemini Sogeti	Fra	551	351	-86.8
5	Suez (Compagnie Financiere de)	Fra	112	62	-85.9
6	[illegible] Group	[illegible]	461	175	-80.9
[illegible]	[illegible]	[illegible]	433	52	-80.8
8	GAN	Fra	161	141	[illegible]
9	Petrofina	Bel	[illegible]	91	-69.4
10	DSM	Net	[illegible]	395	-69.2
11	[illegible] BT	Net	[illegible]	[illegible]	[illegible]
12	Mannesmann	Ger	[illegible]	89	[illegible]
13	Volkswagen	[illegible]	401	88	[illegible]
14	RAS	Ita	151	163	-65.0
15	[illegible] Exterior	Spa	112	171	-64.9
16	Royal Bank of Scotland Group	UK	112	144	-63.8
17	[illegible] [illegible]	Swe	651	188	-63.2
18	[illegible] [illegible]	Spa	151	438	-61.7
19	Lonrho	UK	171	374	-61.0
20	[illegible] Forsikring	Den	151	477	[illegible]
[illegible]	Pilkington	UK	611	308	-57.5
[illegible]	British Airways	UK	301	109	-57.4
23	U.A.P.	Fra	151	58	-53.6
[illegible]	[illegible] Group	Spa	112	[illegible]	-51.9
[illegible]	Navigation Mixte	Fra	171	218	-51.0

■ **European largest swings to profit***

Rank	Company	[illegible]ntry.	[illegible]	FT500 rank	$m chge
1	[illegible] [illegible]	Swe	622	[illegible]	[illegible]
[illegible]	[illegible] Group	UK	493	[illegible]	773.1
[illegible]	BET	UK	171	[illegible]	669.1
[illegible]	Mirror [illegible]p Newspapers	UK	472	[illegible]	547.6
5	Sun Alliance Group	UK	151	123	513.4
6	[illegible] [illegible]	Fra	171	235	410.4
7	Royal Insurance Holdings	UK	151	[illegible]	[illegible]
8	Michelin	Fra	574	162	379.1
9	Pirelli Spa	Ita	574	348	365.3
10	General Acc[illegible]nt	UK	151	119	217.0
11	Continental	Ger	574	414	171.6
12	[illegible] Union	UK	151	117	[illegible]
13	Repola	Fin	591	[illegible]	152.0
[illegible]	Enso-Gutzeit	Fin	652	[illegible]	151.2
15	TSB Group	UK	112	112	[illegible]
16	[illegible] Group	[illegible]	621	[illegible]	122.7
17	[illegible]	Bel	[illegible]	432	[illegible]
18	[illegible] [illegible]	Fin	652	471	112.2
19	Burton Group	UK	491	344	34.7
20	Trafalgar [illegible]	UK	171	[illegible]	12.5

* These figures represent a change [illegible] [illegible] [illegible] profit

■ **European largest swings to loss***

Rank	Company	Cntry.	Sector	FT500 rank	$m chge
1	Imperial Chemical Industries	UK	622	71	-1871.5
[illegible]	British [illegible]pace	UK	523	[illegible]	-1661.1
[illegible]	[illegible]lays	UK	112	31	-1182.1
[illegible]	[illegible]tedison	Ita	622	468	-1177.3
5	Philips	Net	541	86	-1080.9
6	Skandinaviska Enskilda Banken	Swe	112	199	-107[illegible]
[illegible]	Trygg-Hansa SPP Holding	Swe	151	381	-698.6
8	[illegible]	Swe	613	252	[illegible]
9	Tarmac	UK	613	272	-586.3
10	Volvo	Swe	401	136	-552.6
11	Unidanmark	Den	112	405	-451.7
12	Unitas Bank	Fin	112	440	-445.5
13	[illegible] [illegible] [illegible]	Den	112	186	-429.3
14	Krupp, Fried [illegible] H-K	Ger	633	340	[illegible]
15	Lasmo	UK	213	325	-408.8
16	KLM	Net	301	472	-363.2
17	Rolls-Royce	UK	521	208	-358.5
18	[illegible] Handelsbanken	Swe	112	223	-355.9
[illegible]	[illegible]	Fin	112	500	-354.3
20	[illegible] Forsakring	Swe	152	372	[illegible]

* [illegible] figures represent a change [illegible] profit to [illegible] or [illegible] a [illegible] [illegible] a further loss

■ **European Top 500 Largest [illegible] in rank**

Change	1993 [illegible]	1992 Rank	Company	Country	[illegible]
242	223	465	[illegible] [illegible]	Swe	112
233	231	[illegible]	[illegible] Aerospace	UK	523
167	[illegible]	439	Tarmac	UK	613
151	[illegible]	[illegible]	Burton Group	UK	491
139	[illegible]	391	Skanska	Swe	613
132	255	387	Repola	Fin	591
128	[illegible]	440	Fomento [illegible] Construcciones	Spa	611
125	296	[illegible]	Mercury [illegible] Management	UK	122
119	163	282	RAS	Ita	151
114	189	303	Royal Insurance Holdings	UK	151
[illegible]	224	337	Asda [illegible]p	[illegible]	[illegible]
108	309	417	SAI	Ita	151
106	43	149	SIP	[illegible]	223
106	193	299	MEPC	UK	[illegible]
103	374	478	Lonrho	[illegible]	171
101	228	329	Schroders	[illegible]	121
98	214	312	Wolseley	[illegible]	611
97	190	287	Blue Ci[illegible] Industries	[illegible]	611
94	165	259	[illegible] [illegible]	UK	112
88	360	[illegible]	Transatlantic Holdings	UK	122
82	147	229	[illegible] [illegible]	UK	633
81	[illegible]	[illegible]	[illegible] Group	UK	611
[illegible]	321	403	[illegible] Holdings	[illegible]	451
73	65	138	STET	Ita	171
73	179	252	Minorco	Lux	641

■ **European Top 500 Largest falls in rank**

[illegible]	1993 Rank	1992 Rank	Company	Country	Sector
-235	[illegible]	234	Montedison	Ita	622
-192	[illegible]	289	Racal Electr[illegible]	UK	[illegible]
-178	395	218	DSM	Net	622
-152	327	176	[illegible]	Bel	492
-145	[illegible]	302	[illegible] (Wm) Supermarkets	UK	[illegible]
-144	490	347	Dunhill Holdings	UK	406
-143	356	214	Compania Espanola de Pet.	Spa	214
-138	437	300	GIB Group	Bel	491
-134	479	346	Bongrain	Fra	451
-123	307	184	Euro Disney	Fra	461
-122	418	[illegible]	Pirelli Internationale	Swi	481
-117	335	219	Deutsche SB-Kauf	Ger	493
-115	376	262	Chargeurs	Fra	171
-107	426	320	Springer [illegible]	Ger	472
-107	429	323	SME	Ita	451
-106	300	194	Hafslund Nycomed	Nor	591
-105	325	221	Lasmo	UK	[illegible]
-104	[illegible]	359	HEW	Ger	221
-99	449	351	Fecsa	Spa	2[illegible]
-98	464	[illegible]	[illegible]	[illegible]	425
-96	311	215	Fisons	UK	[illegible]
[illegible]	393	[illegible]	Johnson Matthey	UK	641
[illegible]	417	328	Gehe	Ger	433
-90	431	342	Cobepa	Bel	112
[illegible]	352	266	Kwik Save Group	UK	[illegible]

■ **European Top [illegible] Sector Codes**

112	Commercial Banks and [illegible] [illegible]
120	Financial Institutions [illegible] [illegible] (Composite)
[illegible]	Financial [illegible]
122	Financial [illegible]
131	Investment Companies
140	[illegible] - [illegible] Agents [illegible] (Composite)
141	Insurance - Life
142	[illegible] - [illegible] [illegible]
150	[illegible] - Multiline/Property & Casualty (Comp)
151	[illegible] - Multiline
152	Insurance - Property [illegible] Casualty
161	Real Estate
171	Diversified Holding Companies
181	Investment Trusts
201	Non Oil Energy [illegible]
202	Energy Equipment & [illegible]
203	Oil (Composite)
205	[illegible] Energy (Composite)
212	Oil - Internationals
213	Oil - Crude [illegible]
214	[illegible] [illegible] Including [illegible]
220	[illegible] [illegible] [illegible] (Composite)
221	"[illegible] Utilities, [illegible] [illegible] and Supply"
222	Natural [illegible] [illegible]
223	Telephone Companies
[illegible]	Air Transport Carriers
[illegible]	Freight [illegible]
303	[illegible] Transport
304	Rail & Road Transport
[illegible]	Storage, W'housing [illegible] supporting Transport svs"
310	Transport & Storage (Composite)
401	Automobiles
402	Household [illegible] [illegible] Appliances
406	Diversified Consumer [illegible]
410	[illegible] and Wearing Apparel(Composite)
411	Apparel
412	Textile Products
413	Footwear
420	[illegible] [illegible] [illegible] m'facturers (Comp)
421	Beverages - [illegible]
[illegible]	Beverages - [illegible]
[illegible]	[illegible] - [illegible] [illegible]
[illegible]	[illegible] [illegible]
[illegible]	[illegible] [illegible] [illegible] (Composite)
431	Health [illegible]
432	[illegible]
[illegible]	Drugs
[illegible]	Hospital Supply/Management
[illegible]	Agriculture [illegible] Fishing
[illegible]	Foods [illegible] Grocery Products (Composite)
451	Food [illegible]
[illegible]	Food - Sugar/Confectionery
[illegible]	[illegible]
[illegible]	Agriculture & Fishing
[illegible]	Entertainment/Leisure/Toys (Composite)
461	Entertainment [illegible] [illegible] Time
462	Toys
463	Photography
[illegible]	[illegible] [illegible] [illegible]
470	[illegible] (Composite)
[illegible]	Printing
472	Publishing
[illegible]	Publishing - Newspapers
474	Broadcasting [illegible]
[illegible]	Advertising
[illegible]	[illegible] [illegible] & Computers [illegible] (Comp)
481	Business [illegible]
482	Computer [illegible] [illegible]
[illegible]	[illegible] [illegible] (Composite)
491	[illegible] - Department [illegible]
[illegible]	[illegible] - General [illegible]
[illegible]	[illegible] - Grocery Chains
[illegible]	[illegible] - Drug Chains
[illegible]	[illegible] - Miscellaneous/Specialty
510	Wholesale Trade (Composite)
511	Wholesale - Durables
512	[illegible] - [illegible]
520	Aerospace/Defence [illegible]
521	Aerospace/Defence
[illegible]	[illegible] [illegible]
523	[illegible] [illegible]
530	Computers/Communications & [illegible] Eqpt (Comp)
531	Computers
533	Communications Equipment
534	[illegible] Equipment
541	Electrical Equipment
[illegible]	[illegible] & [illegible] (Composite)
551	[illegible]
552	[illegible] Equipment
560	Machinery [illegible] Engineering [illegible] (Composite)
561	[illegible] [illegible]
562	[illegible] [illegible]
563	Machinery
[illegible]	Machinery - [illegible]
[illegible]	Machinery - [illegible] [illegible]
[illegible]	Machinery - Industrial/Speciality
[illegible]	[illegible] Components (Composite)
571	[illegible] [illegible] - Original Equipment
[illegible]	[illegible] Parts - [illegible] Market
573	[illegible] Trucks & Parts
[illegible]	Tyre [illegible] [illegible] [illegible]
591	[illegible] [illegible] (Manufacturing)
[illegible]	Heavy Engineering [illegible] Shipbuilding
610	[illegible] & Building Materials (Composite)
611	Building [illegible]
612	Ceramics
613	Construction
614	Homebuilding
620	Chemicals (Composite)
621	"Chemicals including fibres, paints, industrial gas"
622	Chemicals (Diversified)
624	Fertilisers
630	Mining (Composite)
631	Mining & Extractive Industries
632	Metal Ore Mining
633	Iron and Steel
634	[illegible] [illegible] Metals
[illegible]	Precious [illegible] [illegible] [illegible]
650	Forestry and Paper [illegible] [illegible]
651	Forestry [illegible]
652	Paper and Paper Products
670	[illegible] Metal [illegible]
671	[illegible] Metal [illegible]
[illegible]	Containers

The cushion may

THE FT500

The FT European Top 200 by turnover 1993*

Company	Cntry	Sec.	Turnover US $m	Year end
1 Royal Dutch Shell	Nuk	212	83932.3	[redacted]
[redacted] Daimler-Benz	Ger	401	60817.7	31/12/92
3 IRI	Ita	171	53093.5	31/12/92
4 Volkswagen	Ger	401	52704.9	31/12/91
5 British Petroleum	UK	212	50716.9	[redacted]
6 Siemens	Ger	541	48450.4	[redacted]
7 Veba	Ger	171	40371.9	31/12/92
8 Nestle	Swi	451	38483.3	[redacted]
9 Unilever plc/NV	Nuk	[redacted]	37675.4	[redacted]
10 Fiat	Ita	401	37672.8	[redacted]
11 Elf Aquitaine	Fra	212	35382.6	31/12/92
12 RWE	Ger	221	32768.0	[redacted]
13 Deutsche Bundespost Telekom	Ger	406	32399.4	[redacted]
14 Philips Electronics	Net	541	32161.2	[redacted]
15 ENI	Ita	622	[redacted]	[redacted]
16 Renault	Fra	401	[redacted]	[redacted]
17 Electricite de France	Fra	221	[redacted]	31/12/92
18 Tengelmann	Ger	491	30243.8	31/12/92
19 ABB [redacted] Brown Boveri	Swe/I	541	[redacted]	[redacted]
20 Alcatel Alsthom	Fra	533	28522.5	[redacted]
21 Hoechst	Ger	622	[redacted]	[redacted]
22 BASF	Ger	622	[redacted]	[redacted]
23 Peugeot	Fra	401	[redacted]	31/12/92
[redacted] Rewe	Ger	491	26419.4	[redacted]
25 Bayer	Ger	622	[redacted]	31/12/92
26 Generale des Eaux	Fra	221	[redacted]	[redacted]
27 BAT Industries	[redacted]	171	[redacted]	31/12/92
28 Total	Fra	212	[redacted]	31/12/92
29 Marc-Rich	Swi	121	24007.9	31/12/92
30 Thyssen	Ger	[redacted]	22065.6	[redacted]
31 France Telecom	Fra	[redacted]	[redacted]	31/12/92
32 Bosch,Robert	Ger	[redacted]	21248.9	[redacted]
33 Carrefour	Fra	[redacted]	[redacted]	[redacted]
34 BT	UK	[redacted]	[redacted]	[redacted]
[redacted] Aldi Einkauf	Ger	[redacted]	20154.3	31/12/92
36 Leclerc	Fra	493	[redacted]	[redacted]
37 Intermarche	Fra	[redacted]	20040.9	31/12/92
38 Bayerische Motoren Werke	Ger	401	[redacted]	[redacted]
[redacted] Imperial Chemical Industries	UK	622	[redacted]	31/12/91
[redacted] ENEL	Ita	221	18188.4	31/12/92
41 Opel,Adam	Ger	401	18033.8	31/12/92
42 STET	Ita	171	17315.6	31/12/92
43 Mannesmann	Ger	566	17290.8	31/12/92
44 INI	Spn	171	16985.0	31/12/92
[redacted]5 Deutsche Bundespost Postdienst	Ger	406	15799.8	31/12[redacted]
46 [redacted]tigesellschaft	Ger	634	15772.4	30/09[redacted]
47 [redacted]	Swi	022	15676.6	31/12/92
48 British Gas	UK	222	15640.6	31/12/92
49 Petrofina	Bel	212	15435.0	31/12/92
50 Usinor Sacilor	Fra	633	15295.3	31/12/92
51 British Aerospace	UK	523	15218.1	31/12/92
52 Ruhrkohle	Ger	631	15150.6	31/12/92
53 Preussag	Ger	63[redacted]	15103.5	30/09/92
54 Auchan [redacted] de Marches Usines)	Fra	[redacted]	15019.1	31/12/92
55 Viag	Ger	[redacted]	15002.9	31/12/92
[redacted] Promodes	Fra	491	14854.4	31/12/92
[redacted] Sainsbury J	UK	493	14773.5	13/03/93
58 Rhone-Poulenc	Fra	622	14414.8	31/12/92
59 Krupp, Fried AG H-K	Ger	633	14290.9	31/12/92
60 Repsol	Spa	212	14192.2	[redacted]/92
61 SIP	Ita	223	13[redacted]	31/12/92
62 SNCF	Fra	[redacted]	[redacted]	31/12/92
63 Ford Werke	Ger	401	13578.1	31/12/92
64 BTR	UK	591	13485.4	31/12/92
65 Hanson	UK	171	13419.8	30/09/93
66 Saint-Gobain	Fra	611	13056.1	31/12/92
[redacted] Versand	Ger	495	[redacted]	[redacted]
68 Lyonnaise des Eaux-Dumez	Fra	[redacted]	[redacted]	[redacted]
69 Thomson	Fra	551	12523.6	[redacted]
[redacted] BSN Groupe	Fra	451	12497.4	[redacted]
71 Edeka Zentrale	Ger	491	[redacted]	[redacted]
r72 Pinault-Printemps	Fra	491	[redacted]	[redacted]
[redacted] Metro Deutschland	Ger	[redacted]	12148.2	[redacted]
74 Grand Metropolitan	UK	421	[redacted]	[redacted]
75 Ahold	Net	[redacted]	[redacted]	[redacted]
[redacted] Man	Ger	[redacted]	11831.0	[redacted]
77 Michelin	Fra	574	11793.0	[redacted]
[redacted] Richemont (Compagnie Financiere)	Swi	171	11701.2	[redacted]
79 Tesco	UK	[redacted]	11564.2	[redacted]
80 Pechiney	Fra	671	11533.1	31/12/92
81 Karstadt	Ger	[redacted]	11416.0	[redacted]
82 Haniel	Ger	171	11405.8	[redacted]
83 Deutsche Bundesbahn	Ger	[redacted]	11320.7	[redacted]
84 Bouygues	Fra	613	11064.9	[redacted]
85 Schickedanz-Unternehmensgruppe	[redacted]	[redacted]	10872.0	[redacted]
86 Schneider SA	Fra	171	10870.8	[redacted]
[redacted] Casino	Fra	493	[redacted]	[redacted]
88 Montedison	Ita	622	10815.0	31/12/92
89 Kaufhof	Ger	491	10703.4	[redacted]
90 SHV	Net	171	10659.8	31/12/92
[redacted] Deutsche Lufthansa	Ger	301	[redacted]	[redacted]
92 Migros	Swi	[redacted]	10509.8	[redacted]
93 Bertelsmann	Ger	472	10485.1	[redacted]
94 Volvo	Swe	401	10366.3	[redacted]
95 Sandoz	Swi	[redacted]	10179.4	[redacted]
[redacted] Air France	Fra	301	10058.1	[redacted]
[redacted] Electrolux	Swe	[redacted]	10045.8	[redacted]
98 Statoil	Nor	213	[redacted]	[redacted]
99 Neste	Fin	214	9936.3	[redacted]
100 Matra Hachette	Fra	171	[redacted]	[redacted]

Company	Cntry	[redacted]	Turnover [redacted]	Year end
101 Delhaize	Bel	492	9384.3	31/12/92
102 Telefonica	Spa	223	9280.3	31/12/92
103 Akzo	Net	622	9259.3	31/12/92
104 Gasunie	Net	222	9240.2	[redacted]
105 Aerospatiale	Fra	[redacted]	[redacted]	31/12/92
106 Roche Holding	Swi	[redacted]	[redacted]	31/12/92
107 Marks and Spencer	UK	[redacted]	[redacted]	[redacted]
108 PTT	Swi	223	8987.4	[redacted]
109 Asko Deutsche Kaufhaus	Ger	[redacted]	[redacted]	30/09/92
110 Ruhrgas	Ger	222	[redacted]	[redacted]
111 Eridania Beghin-Say	Fra	[redacted]	[redacted]	[redacted]
112 [redacted]	Ger	622	[redacted]	[redacted]
113 Gaz de France	Fra	222	[redacted]	[redacted]
114 General Electric Company	UK	541	[redacted]	[redacted]
115 Austrian [redacted]	Aus	171	[redacted]	[redacted]
116 IBM Deutschland	Ger	531	[redacted]	[redacted]
117 British [redacted]	UK	301	[redacted]	[redacted]
118 P [redacted] O [redacted] Navigation	UK	303	[redacted]	31/12/92
119 Ford Motor Company UK	[redacted]	401	[redacted]	[redacted]
[redacted] Hydro	Nor	214	[redacted]	[redacted]
121 Allied-Lyons	UK	421	[redacted]	06/03/93
122 [redacted] Beecham	UK	[redacted]	[redacted]	31/12/92
[redacted] Argyll Group	UK	[redacted]	[redacted]	[redacted]
124 Degussa	Ger	622	[redacted]	[redacted]
[redacted] Post Office	UK	406	[redacted]	[redacted]
126 Maus [redacted]	Swi	171	[redacted]	[redacted]
127 Inchcape	[redacted]	171	[redacted]	31/12/92
128 Coop [redacted]	Swi	[redacted]	[redacted]	31/12/92
129 Glaxo Holdings	UK	433	[redacted]	[redacted]
[redacted] KF Group	Swe	493	7352.0	31/12/02
131 Solvay	Bel	622	[redacted]	[redacted]
[redacted] OeMV	Aus	212	[redacted]	31/12/92
133 Tractebel	Bel	221	[redacted]	31/12/92
134 Gallaher	UK	171	7135.4	31/12/91
[redacted] AG	Ger	212	7131.0	31/12/92
[redacted] Asda Group	UK	493	[redacted]	03/05/93
[redacted] Industries	Fra	[redacted]	6912.0	31/12/92
138 Dalgety	UK	451	6818.6	30/06/93
[redacted] Thorn Emi	UK	461	[redacted]	31/03/93
140 Eiffage	Fra	613	6684.8	31/12/92
141 Hillsdown Holdings	UK	451	6670.2	31/12/92
142 Guinness	UK	421	6655.0	31/12/92
143 National Power	UK	221	6632.1	28/03/93
144 L'Oreal	Fra	432	6627.5	31/12/92
1[redacted]	UK	421	6569.6	30/09/92
1[redacted]ish Steel	UK	633	6563.5	03/04/93
147 GIB Group	Bel	491	6548.1	31/01/93
148 IBM France	Fra	531	6474.5	31/12/92
149 KNP BT	Net	652	6462.2	31/12/92
[redacted] Ilva	Ita	633	6429.2	31/12/92
151 Holzmann (Philipp)	Ger	613	6371.6	31/12/92
152 Ladbroke Group	UK	461	6355.2	31/12/92
153 Pechiney International	Fra	672	6232.4	31/12/92
154 [redacted]nt-Louis G[redacted]	Fra	451	6222.4	[redacted]
155 [redacted]U	Fra	461	6088.3	31/12/92
156 Zeneca	UK	433	6069.2	31/12/92
157 Toepfer ([redacted]lfred C.) Int	Ger	122	6047.9	31/12/92
158 Boots Company	UK	492	6043.6	31/03/93
159 Thomson-CSF	Fra	551	6033.3	31/12/92
160 [redacted] British [redacted]	UK	451	6031.1	[redacted]
161 Ib[redacted]	Spa	[redacted]	5963.6	31/12/92
[redacted] Continental	Ger	574	[redacted]	31/12/92
1[redacted] Trafalgar House	UK	171	5948.0	27/09/92
1[redacted] British Coal	UK	631	5916.7	27/03/93
165 Ericsson LM	Swe	533	5872.4	31/12/92
166 Stora	Swe	651	5856.8	31/12/92
167 [redacted] Wireless	UK	[redacted]	[redacted]	[redacted]
[redacted] UK	UK	[redacted]	[redacted]	[redacted]
169 Dow Europe	Swi	622	5754.2	31/12/92
170 IBM United Kingdom	UK	531	[redacted]	[redacted]
171 [redacted] International	Net	[redacted]	[redacted]	[redacted]
172 [redacted]	Bel	221	[redacted]	[redacted]
173 [redacted] de [redacted]	Fra	[redacted]	[redacted]	31/12/92
174 [redacted] Generale de Belgique	Bel	171	[redacted]	[redacted]
175 [redacted] Morris Gmbh	Ger	[redacted]	[redacted]	31/12/92
176 Holderbank Management	[redacted]	[redacted]	[redacted]	31/12/92
177 C [redacted] A Mode	Ger	495	[redacted]	31/12/92
178 Rolls-Royce	UK	[redacted]	5433.2	[redacted]
179 [redacted]	[redacted]	493	[redacted]	31/12/92
180 [redacted]	Lux	661	5415.4	31/12/92
181 Kingfisher	UK	491	5411.7	[redacted]
[redacted] Lafarge Coppee	Fra	611	[redacted]	31/12/92
[redacted]	Spa	221	[redacted]	31/12/92
184 T[redacted]	UK	212	[redacted]	31/12/92
[redacted] Bull (Groupe)	Fra	541	[redacted]	31/12/92
[redacted] L'Air Liquide	Fra	621	[redacted]	31/12/92
187 Pirelli [redacted]	Ita	[redacted]	[redacted]	31/12/92
[redacted]	Fra	464	[redacted]	[redacted]
189 Booker	UK	[redacted]	[redacted]	[redacted]
[redacted] BICC	UK	541	5167.8	31/12/92
191 Cadbury Schweppes	UK	451	[redacted]	[redacted]
192 Olivetti	Ita	534	5118.2	31/12/92
193 Tate & Lyle	UK	451	[redacted]	[redacted]
194 Procordia	Swe	433	[redacted]	31/12/92
[redacted] Havas (Agence)	Fra	475	[redacted]	[redacted]
[redacted] Co-operative Wholesale Society	UK	[redacted]	[redacted]	[redacted]
[redacted] RTZ Corporation	UK	[redacted]	[redacted]	[redacted]
[redacted] Heineken	Net	421	4914.8	31/12/92
[redacted]	Net	[redacted]	[redacted]	[redacted]
[redacted] Powergen	UK	221	[redacted]	[redacted]

*In addition to companies which are publicly-owned and which appear in the top 500, this table also includes private- and state-owned companies. The turnover rank for companies in the top 500 table, will therefore differ.

THE FT500

■ FOCUS ON THE UK [redacted]

Conglomerates illustrate a paradox

The prices which rose most sharply last year were those of shares themselves. As a result, says Tony Jackson, some of the star performers have been from the City

[redacted] is [redacted] curious paradox lurking in [redacted] year's UK industrial rankings. On the one hand, BTR has moved from 11th [redacted] to [redacted], while Hanson [redacted] position [redacted] 9th. Conglomerates, [redacted] seems, [redacted] thing.

On the other [redacted], look [redacted] Imperial Chemical Industries. Last [redacted] it was [redacted] much like [redacted] conglomerate [redacted] comfort, [redacted] split [redacted] in two: [redacted] new high-t[redacted] company [redacted] Zeneca, [redacted]d a new ICI taking [redacted] bulk chemicals. The combined v[redacted] of [redacted] two is now £12bn, [redacted] rank [redacted] as 10th in [redacted] UK, displacing Marks and Spencer. The [redacted] before, [redacted] only [redacted] conglomerates, it [redacted] a [redacted] thing after [redacted].

[redacted] fact, both [redacted] of the paradox [redacted] perfect [redacted] in their [redacted] terms. The relevant characteristic [redacted] and Hanson is that they [redacted] tively managed. It [redacted] this, quite [redacted] much [redacted] diversity, that equips [redacted] to [redacted] vive [redacted] the present tough economic conditions. It is worth recalling that the biggest company in the [redacted] by market value [redacted] now [redacted] quintessential conglomerate, General Electric, with activities ranging from stockbroking to building locomotives. Again, the relevant characteristic [redacted] agement. Mr Jack Welch, [redacted] boss, [redacted] perhaps the most admired manager in the US.

As for ICI, the fact that it has been able to add value by splitting itself up is perhaps not surprising. Successive generations of ICI management have toyed with the idea for decades, if only on the grounds that making investment decisions across the range of ICI's businesses was becoming increasingly hard as the technology became more sophisticated. Other members of the top 100 companies in the UK, such as Vodafone and Courtaulds, [redacted] successful products of demerger. The argument for and against conglomerates is an interesting one in theory. In practice, [redacted] it [redacted] more a matter [redacted] horses [redacted] courses.

The rankings contain another [redacted] adox, this time to do with the [redacted] of inflation. The single biggest [redacted] for the strength of the UK stock market in the past year h[redacted] been the [redacted] that stable prices [redacted] not be a [redacted] cyclical phenomenon, but part [redacted] a deeper [redacted] nomic [redacted].

But that same factor has resulted in [redacted] of the year's biggest [redacted]. The big supermarket chains, [redacted] instance, [redacted] rising prices to [redacted] high margins, which in turn [redacted] to finance their ambitious expansion [redacted]. Unsurprisingly, therefore, Sainsbury and Tesco have [redacted] a hammering. [redacted] the smaller supermarket [redacted] have [redacted] even worse: William Low, which [redacted] was [redacted] respectable [redacted] of falling out of [redacted] rankings.

[redacted] prices have [redacted] relatively [redacted] the [redacted] supermarket chains such [redacted] Sainsbury and Tesco have taken a hammering

Similarly, the soaring share price of Guinness in the late 1980s was based above all on persuading Scotch drinkers around the world to pay ever-increasing [redacted]rices for their tipple on th[redacted] of its snob appeal. In [redacted] world [redacted] prices, that [redacted] is over. Guinness has fallen from 8th to [redacted] The niche malt whisky maker Macallan-Glenlivet has slumped [redacted] to [redacted]

[redacted] other hand, [redacted] British Steel. This, [redacted] would think, must surely have been a casualty [redacted] year. The [redacted] has been full [redacted] the [redacted] in Europe's steel industry, and of faltering attempts to cut capacity. But on the contrary, British [redacted] a [redacted] performer, jumping from 90th to 59th. The reason – and [redacted] is the real par[redacted] – is that it has [redacted] fully raised its prices [redacted] times in the past year.

British [redacted] not alone. The building [redacted] companies such as Redland and Blue Circle have [redacted] prices, and have jumped in the ratings accordingly. [redacted] is [redacted] further twist. Part [redacted] the [redacted] companies' strong performance is linked [redacted] property [redacted] Land [redacted] and MEPC, [redacted] instance, [redacted] also risen sharply in the ratings. This is because [redacted] market [redacted] in property: that is, prices are rising again.

From a purely industrial viewpoint, the net effect of all this is slightly depressing. Of the 49 sectors in the London equity market, 22 consist of companies which actually make things. Of those, only [redacted] in the rankings [redacted] building materials, housebuilding, [redacted] metals (largely steel) and [redacted]. The first [redacted] have been touched on: the fourth [redacted] chiefly [redacted] on the remarkable recovery [redacted] Aerospace, which in turn [redacted] much to the renaissance [redacted] subsidiary.

[redacted] cheerfully, 10 of the industrial sectors fell in the rankings. Again, the [redacted] worst affected have been those most hit by falling [redacted] – in particular, d[redacted], tobacco and drink.

It [redacted] an illustration [redacted] global [redacted] of deflation that in drugs and tobacco particularly, the bad news has [redacted] from the US. For drugs, the deciding factor has been [redacted] Clinton's campaign to reduce [redacted]. For tobacco, it [redacted] Philip Morris's dramatic decision [redacted] April to slash the price of [redacted] cigarettes.

But from [redacted] investment viewpoint, [redacted] of [redacted] a reason to [redacted] down-hearted. After all, the prices which rose [redacted] sharply in the UK last [redacted] were those [redacted] themselves. [redacted] a result, some of the [redacted] performers in the rankings have been from [redacted] City. The stockbroking firm Smith New Court has [redacted] from nowhere to [redacted] the rankings [redacted] 381. The merchant bank [redacted] went from 180 [redacted] 90. Along with its fellow merchant bank Warburg, it won [redacted] place last year in the FT-SE index of Britain's 100 biggest companies.

The [redacted] that hopes of a reviving economy have principally benefited folk in the City is [redacted] surprising. Indeed, it illustrates to perfection an old maxim in stockbroking. The [redacted] make money, says the maxim, is as follows: find out where the action [redacted] – diamonds in South Africa, oil in the North [redacted] – and go there. But whatever you do, [redacted] not get involved in diamonds [redacted] oil yourself. Sell sandwiches.

■ UK Biggest employers

	Company	Sector	UK500 Rank	[redacted]
1	BAT Industries	171	[redacted]	[redacted]
[redacted]	BT	223	1	170700
[redacted]	BTR	591	8	135133
[redacted]	Sainsbury J	493	19	120119
[redacted]	Imperial Chemical [redacted]	622	28	[redacted]
6	British Aerospace	523	91	108500
7	Lonrho	171	146	106161
[redacted]	British Petroleum	[redacted]	5	105750
[redacted]	[redacted] Metropolitan	421	14	102405
10	BET	171	116	101408
11	[redacted] Holdings	112	4	[redacted]
12	General Electric Company	541	13	[redacted]
13	Tesco	493	[redacted]	86066
[redacted]	National [redacted] Bank	112	17	85900
15	Bass	421	[redacted]	[redacted]
16	Forte	464	[redacted]	[redacted]
17	[redacted] Company	492	[redacted]	[redacted]
[redacted]	British Gas	222	7	[redacted]
19	Barclays	112	18	76852
20	Hanson	171	9	75000
[redacted]	P & O [redacted]	303	48	[redacted]
22	[redacted] Group	493	[redacted]	69288
23	RTZ Corporation	634	21	68298
24	Lloyds Bank	112	20	[redacted]
25	Argyll Group	493	[redacted]	65937

FT 500 capitalisation by country

Country	Companies	$ billion
[redacted]	167	626.5
Germany	67	316.2
France[1]	77	310.2
Switzerland	28	189.7
[redacted]	17	167.5
[redacted]	23	85.2
Italy	25	84.7
[redacted]	22	63.4
Belgium[4]	[redacted]	56.0
[redacted]	10	22.5
Norway	6	13.1
[redacted]	8	10.7
[redacted]	4	10.3
Luxembourg	4	7.7
Ireland	4	7.7
Portugal	1	1.4

(1) One joint UK/France [redacted] Three joint UK/Netherlands
(3) One joint Sweden/Switzerland (4) One joint Belgium/Netherlands

Conglomerates illustrate a paradox

Tokyo skyline: the leading commercial banks follow the [illegible] company by market capitalisation, NTT, on the FT Japan 100

■ JAPAN

Global giants braced for restructuring

Emiko Terazono discusses the effect of one of the most [illegible] economic downturns in post-war history on the performance of leading Japanese groups

The FT's [illegible] of top Japanese companies by market capitalisation reflects [illegible] period of sagging share prices as [illegible] result of one of the most severe economic downturns in post-war history.

Nevertheless, even with the Nikkei average off 48 per cent from its peak in 1989, companies topping the Japan 100 list are among the [illegible] in the world by market capitalisation. The relatively large market capitalisation of Japanese companies [illegible] the result of share prices being swollen by strategic cross shareholding among the country's companies and banks.

Aggressive fund-raising [illegible] the stock markets during the late [illegible] accelerated companies' moves towards stable shareholding, resulting in fewer floating shares in the market. At the end [illegible] 1992, 73.1 per cent [illegible] the Tokyo stock market was held by financial and non-financial corporations.

The traditional [illegible] of placing funds into stock and stock [illegible] prompted investors [illegible] pump extra cash into the Tokyo market in the 1980s, pushing prices higher. Meanwhile, the absence of a merger and acquisition market deprived [illegible] a chance to test share prices and valuations, leaving share prices distorted.

Mr Alex Kinmont, strategist at Morgan Stanley in Tokyo, believes that if the cross shareholding structure [illegible] fund-raising patterns were adjusted [illegible] match western standards, the market capitalisation [illegible] companies would fall by half from the present levels.

Another aspect of Japanese companies is [illegible] low return on capital employed. The figures reflect low awareness of capital [illegible] Japanese companies, which have traditionally relied [illegible] banks for funding. Rather than a place [illegible] raise capital, for many [illegible] the blue chips companies the equity [illegible] been regarded as a place [illegible] acquire status within the business community.

Many companies have invested funds raised through equity-linked financing during the late 1980s into companies within the keiretsu (corporate grouping structures) and the industry. Considering the low dividends [illegible] Japanese companies the returns on such investments have been insignificant.

The vast market capitalisation of Nippon Telegraph and Telephone (NTT), which ranks first, [illegible] justified by its large scale of [illegible] businesses, which [illegible] be spun off as separate companies in [illegible] future.

However, [illegible] shares [illegible] held by financial and industrial companies, especially of those electronic and telecommunication equipment corporations which comprise the "NTT family".

NTT, which became a private company in 1986, is suffering the [illegible] of greater competition, and profits [illegible] year [illegible] 44 per cent to Y205.8bn. The company is seeking to cut [illegible] 10,000 employees [illegible] payroll through voluntary [illegible] by the end of [illegible]

The deteriorating business outlook is depressing NTT's [illegible] price, hence eroding unrealised profits of companies which hold its [illegible]

The leading commercial banks, which follow NTT on the rankings list, [illegible] the core of the keiretsu, [illegible] corporate groupings tied together by cross shareholdings.

They [illegible] buy [illegible] of companies they [illegible] to, [illegible] hence, [illegible] of a complicated web of [illegible] holdings.

[illegible] banks, holding [illegible] company's [illegible] a way [illegible] relationships with companies and, [illegible] time, wield influence over corporate decisions. For the companies, such shareholdings [illegible] of insurance [illegible] banks [illegible] stand behind them in times of [illegible] difficulty.

However, [illegible] mounting [illegible] stemming from [illegible] reckless lending of [illegible] 1980s, [illegible] banks are finding it [illegible] difficult to maintain [illegible] ties. Problem loans [illegible] per [illegible] during [illegible] half of [illegible] September, [illegible] banks [illegible] realising profits [illegible] long-term [illegible] holdings to [illegible] from writing [illegible] loans. Dai-Ichi Kangyo Bank, for example, took profits [illegible] during [illegible] period.

The banks [illegible] lower market capi[illegible] in [illegible] future [illegible] they [illegible] unravel more [illegible] their [illegible] shareholdings as a fall in [illegible] demand from compa[illegible] depresses profits, while [illegible] same time, [illegible] stock market [illegible] its unrealised stock-holding gains.

Toyota Motor, [illegible] seventh, is a com[illegible] supported by [illegible] typical industrial [illegible] cross-shareholding [illegible]ship which [illegible] component suppliers, specialised manufacturers, [illegible]tors.

Almost all large manufacturers, such [illegible] Nissan, Hitachi, [illegible] Electric Industrial, [illegible] their own keiretsu. [illegible]ever, [illegible] relationships are also slowly loosening [illegible] companies are forced to [illegible]plement [illegible] falling profits [illegible] gains on shareholdings.

The large manufacturers [illegible] reviewing existing relationships with their [illegible] suppliers, telling [illegible] reduce their reliance on [illegible] company [illegible] the core of the grouping.

The downturn in [illegible] economy is accelerating [illegible] rise [illegible] awareness about [illegible] cost of capital. [illegible] companies already [illegible]nise the importance [illegible] profitability, especially [illegible] industries which are [illegible] by old ties.

Nintendo, [illegible] video [illegible] maker, [illegible] 49th, has a [illegible] on capital employed, while Seven-Eleven Japan, [illegible] convenience [illegible] chain, [illegible] 18th, [illegible] a [illegible] on capital of [illegible] cent.

As corporate profits [illegible] share prices remain [illegible] doldrums, more companies will [illegible] forced [illegible] unwind cross [illegible]ings. Although [illegible] cross-shareholding [illegible] traditional type [illegible] such as [illegible] Mitsubishi and the Mitsui [illegible] will [illegible] disappear, [illegible]tionships between companies on [illegible] fringe [illegible] such groupings are likely [illegible]

In the long run, companies [illegible] be forced to [illegible] capital [illegible] efficiently, and although [illegible] may not happen immediately, [illegible] capitalisation [illegible] Tokyo [illegible] market will [illegible] as companies [illegible] value profits [illegible] relationships.

In addition, with [illegible] present restructur[illegible] of companies, which is likely [illegible] lead to [illegible] review [illegible] traditional practices, [illegible] as life-time employment, [illegible] with sharehold[illegible] eventually gaining more strength [illegible] legal changes [illegible] commercial code, return [illegible] capital employed [illegible] likely to increase gradually.

■ [illegible] list of the Japanese top 100

Company	RANK
A	**RANK**
Ajinomoto Co Inc	79
All Nippon Airways Co Ltd	33
Asahi Bank	14
Asahi Chemical Industry Co Ltd	68
Asahi Glass Co Ltd	44
B	**RANK**
Bank Of Yokohama Ltd	54
Bank Of Tokyo Ltd	12
Bridgestone Corporation	70
C	**RANK**
Canon Inc	62
Chiba Bank Ltd	67
Chubu Electric Power Co Inc	24
Chugoku Electric Power Co Inc	68
D	**RANK**
Dai Nippon Printing Co Ltd	51
Dai-Ichi Kangyo Bank Ltd	4
Daiwa Bank	31
Daiwa House Industry Co Ltd	94
Daiwa Securities Ltd	29
F-H	**RANK**
Fanuc Ltd	61
Fuji Bank Ltd	6
Fuji Photo Film Co Ltd	45
Fujitsu Ltd	39
Hachijuni Bank	100
Hitachi Ltd	17
Honda Motor Co Ltd	38
I-J	**RANK**
Industrial Bank Of Japan	3
Ito-yokado Co Ltd	20
Itochu Corporation	84
Japan Air Lines Co Ltd	52
Joyo Bank Ltd	98
K-L	**RANK**
Kajima Corporation	92
Kansai Electric Power Co Inc	16
Kawasaki Steel Corporation	87
Kinki Nippon Railway Co Ltd	46
Kirin Brewery Co Ltd	48
Kobe Steel Ltd	83
Kokusai Denshin Denwa Co Ltd	91
Kubota Corporation	80
Kyocera Corporation	61
Kyushu Electric Power Co Inc	50
Long Term Credit Bank	19
M	**RANK**
Matsushita Electric Ind Co	13
Matsushita Electric Works Ltd	89
Mitsubishi Bank	2
Mitsubishi Corporation	26
Mitsubishi Electric Corporation	58
Mitsubishi Estate Ltd	47
Mitsubishi Heavy Industries	28
Mitsubishi Kasei Corporation	96
Mitsubishi Trust & Banking	27
Mitsui & Co Ltd	57
Mitsui Fudosan Co Ltd	58
Mitsui Trust & Banking	41
N	**RANK**
Nec Corporation	40
Nikko Securities Co Ltd	35
Nintendo Co Ltd	49
Nippon Credit Bank Ltd	53
Nippon Express Ltd	60
Nippon Oil Co Ltd	72
Nippon Steel Corporation	21
Nippon Telegraph & Telephone	1
Nippondenso Co Ltd	42
Nissan Motor Co Ltd	28
Nkk Corporation	73
Nomura Securities Ltd	11
O-S	**RANK**
Osaka Gas Co Ltd	53
Sakura Bank	9
Sankyo Co Ltd	56
Sanwa Bank Ltd	8
Sanyo Electric Co Ltd	82
Secom Co Ltd	99
Sega Enterprises Ltd	66
Seibu Railway Co Ltd	30
Sekisui House Ltd	75
Seven-eleven Japan Co Ltd	18
Sharp Corporation	38
Shikoku Electric Power Co Inc	97
Shizuoka Bank Ltd	55
Sony Corporation	34
Sumitomo Bank Ltd	5
Sumitomo Corporation	71
Sumitomo Electric Industries	77
Sumitomo Metal Industries Ltd	74
Sumitomo Trust & Banking Co	32
T-Z	**RANK**
Taisho Pharmaceutical Co Ltd	95
Takeda Chemical Industries Ltd	59
Tohoku Electric Power Co Inc	37
Tokai Bank Ltd	18
Tokio Marine & Fire Ins	25
Tokyo Electric Power Co Inc	10
Tokyo Gas Co Ltd	43
Tokyu Corporation	76
Tonen Corporation	65
Toppan Printing Co Ltd	93
Toray Industries Inc	89
Toshiba Corporation	22
Tostem Corporation	85
Toyo Trust & Banking Co	78
Toyota Motor Corporation	7
Yamanouchi Pharmaceutical Co	50
Yasuda Trust & Banking	64

COUNTRY ANALYSES

■ GERMANY

The cushion may be wearing thin

Investor confidence has soared after the worst year for business since the war. But, under pressure to *reduce their prices, many companies are still* struggling to survive, says **Christopher Parkes**

By common consent, west German business [illegible] just emerged [illegible] worst year since the [illegible] Automotive manufac[illegible] and engineering concerns, [illegible]try's top export earners, for example, suffered production [illegible] of [illegible] per [illegible] 10 per cent respectively. [illegible] Bayerische Hypo Bank's forecast [illegible] just [illegible] a year ago, that "the looming recession will [illegible] a serious disaster for most German companies" has proved [illegible] right so [illegible]

The reason, as [illegible] bank implied, [illegible] that companies were able to cushion the shocks by drawing [illegible] of financial fat laid down in the previous [illegible] of relative prosperity. Nowhere [illegible] this [illegible] more apparent [illegible] Daimler-Benz, the country's industrial flagship. [illegible] drew down [illegible] from reserves [illegible] away in better [illegible] limit [illegible] nine-month losses – according [illegible] German accounting [illegible] – to just DM181m. By [illegible] principles, however, [illegible] group slumped [illegible] into the red.

[illegible] *only German* [illegible]pany so [illegible] York [illegible] Exchange – [illegible] in October – there is no accurate way [illegible] penetrate the books [illegible] companies to win a clear impression [illegible] the impact of the slump on earnings. [illegible] there [illegible] be no mistaking [illegible] effects of recession [illegible] German management. Galvanised by [illegible] awakening, it [illegible] about rationalisation and restructuring with unprecedented vigour. Lean management, lean production and concentration [illegible] "core" operations have become [illegible] watchwords. [illegible] management bureaucracies have [illegible] broken down. Workforces have been cut ruthlessly. The traditionally cosy relationship between capital and labour has been brought into question and a [illegible] order [illegible] emerging. Planned investments have been subjected to the most rigorous examination, and, [illegible] many [illegible] scrapped. Long-[illegible] problem subsidiaries have been unceremoniously dumped.

Daimler, the lumbering automotive, aerospace and electrical engineering [illegible] a [illegible] in point. AEG, its stand[illegible] electronics engineering subsidiary, now [illegible] integrated provider of equipment [illegible] services for the rest of [illegible] group. [illegible] domestic appliances [illegible] is to [illegible] Electrolux. Other divisions, finally

Continued [illegible] next page

■ German companies by market capitalisation

	Company	$m	FT500 rank	Sector
1	Allianz Holding	30867.4	4	151
2	Siemens	22650.0	10	541
3	Deutsche Bank	22586.3	12	112
4	Daimler-Benz	21344.0	14	401
[illegible]	Muenchener Ruckversicherunge	13976.6	[illegible]	151
[illegible]	Veba	12361.5	[illegible]	171
7	Bayer	12333.6	34	[illegible]
8	Dresdner Bank	10565.8	50	[illegible]
9	Hoechst	[illegible]	55	622
10	RWE	[illegible]	61	221
11	BASF	9064.6	63	622
12	Volkswagen	8118.2	68	401
13	Mannesmann	[illegible]	89	566
14	Bayerische Vereinsbank	[illegible]	94	112
15	Allianz Lebensversicherungs	[illegible]	96	151
16	Bayerische Hypo. & Wechsel Bk	[illegible]	97	112
17	Bayerische Motoren Werke	[illegible]	99	401
18	Commerzbank	6500.4	[illegible]	112
19	Viag	4890.1	[illegible]	622
20	Schering	4164.9	137	622
[illegible]	Thyssen	3921.2	146	633
22	Hochtief	3889.4	[illegible]	613
23	AMB Aachener & Muenchener Beteil	3712.8	[illegible]	151
[illegible]	Preussag	3690.9	155	[illegible]
[illegible]	Linde	3357.6	169	[illegible]
[illegible]	VEW	3252.3	174	[illegible]
27	[illegible] Amperwerke	2919.1	195	221
28	Karstadt	2840.8	200	491
[illegible]	Deutsche [illegible]	2781.9	207	301
[illegible]	[illegible] Holding	2681.5	212	151
31	Kaufhof	2345.2	240	[illegible]
[illegible]	Berliner [illegible]	2258.3	248	[illegible]
[illegible]	Badenwerk	2148.7	259	[illegible]
[illegible]	Man	2137.0	261	[illegible]
35	BHF [illegible]	2089.8	263	112
[illegible]	Heidelberger Zement	1984.7	276	611
[illegible]	Metallgesellschaft	1937.7	280	634
[illegible]	Beiersdorf	1931.0	281	432
39	Rheinelektra	1[illegible]	[illegible]	541
40	Suedzucker	1[illegible]	[illegible]	451
41	Degussa	1874.7	289	622
[illegible]	Holzmann (Philipp)	1751.0	310	613
43	Thuega	1669.7	322	[illegible]
44	Bilfinger & [illegible]	1668.3	323	[illegible]
[illegible]	Asko Deutsche [illegible]	1647.7	329	491
[illegible]	Deutsche SB-Kauf	1611.7	335	493
47	Krupp, Fried AG H-K	1590.7	340	633
48	Wuerttembergische AG [illegible]	1538.3	353	[illegible]
49	Volksfuersorge	1505.8	357	151
50	[illegible] und Licht	1464.9	369	221
[illegible]	AVA	1438.7	371	401
[illegible]	Lahr[illegible]	1342.5	399	613
53	[illegible] Pfandbrief-und HypoBank	1314.5	406	[illegible]
[illegible]	IKB Deutsche Industriebank	1299.7	408	112
[illegible]	AGIV	1283.6	411	171
56	Baden-Wuerttembergische Bank	1271.9	[illegible]	112
57	Continental	1255.1	414	574
58	Gehe	1238.7	417	433
59	Springer (Axel)	1212.8	426	472
60	Altana	1159.9	434	433
[illegible]	DBV	1104.3	443	151
[illegible]	Nuernberger Beteiligung	1074.5	459	151
[illegible]	HEW	1058.8	[illegible]	221
64	SAP	1048.6	465	551
65	Douglas Holdings	988.2	[illegible]	494
66	Oldenburgische Landesbank	963.2	[illegible]	112
67	Vereins- und [illegible]	933.1	497	[illegible]

THE FT500

■ UNITED KINGDOM

No easy ride for Britain's top companies

Attention has focused on banks, property shares and electricity suppliers. Among the large losers have been the growth stocks of yore, says Peter Montagnon

Britain's top companies might have felt entitled to an easier ride in 1993 after the traumas of the election and the enforced departure from the ERM in 1992. In the event, the recovery has been patchy and many companies have found it hard to push up their margins. The biggest surprise has been the failure [redacted] inflation to take off after the devaluation. Only gradually has [redacted] City come [redacted] that it may remain muted for some time to come.

The stock market, meanwhile, has been travelling hopefully, discounting large earnings recoveries and justifying higher price/earnings multiples on the grounds that lower inflation would improve the quality of earnings. But at least part of the excitement in the equity and the gilts market has been generated by a flow of funds out of low-yielding building society and bank deposits. Flows into unit trusts have been running at record levels.

The concern among investors is twofold. First, they are worried about the extent of the recovery, and, second, they are anxious to preserve a running return at a time of falling interest rates. Attention has focused on interest sensitive stocks such as banks whose ability to pay higher dividends has increased just as provisions have started to fall. Property shares, too, have been in demand, as have electricity stocks which offer both yield and the prospect of dividend increases.

Movements of UK companies within the European top 500 reflect these factors. Among the large losers have been the growth companies of [redacted] which thrived during the recession, [redacted] as supermarkets and pharmaceutical companies. J. Sainsbury may have managed a 17 [redacted] cent increase in profit and a [redacted] cent return on capital but it has still slipped to 39 from [redacted] place in the rankings. Kwik Save, with a return on capital [redacted] 44 per cent, slipped even further to [redacted] from [redacted] though the new-look Asda managed to buck the rankings trend.

The proximate reason for the supermarkets' [redacted] performance is pressure on margins as more and more [redacted] in new stores and competition increases from the discount outlets. The worry in pharmaceuticals has been related to [redacted] healthcare reform and the more general fear that pressure on medical costs around the world will reduce the profitability of patented prescription drugs. Glaxo thus slipped from second to seventh place, while Wellcome moved to 59 from 29.

Also hit by a shift in sentiment have been the drinks companies. In the case of Bass – down to 93rd place from 57 – the worry has been the pressures on the brewers as a result of excess capacity and parallel imports from France at a time of shrinking demand. Guinness has suffered from the reluctance of whisky drinkers to trade up in the less flamboyant [redacted] Though its faith [redacted] the value of [redacted] remains undiminished, impatience [redacted] repeated downgrades of profits expectations has taken its toll. Guinness fell to [redacted] place from 15.

By contrast, it [redacted] been a much [redacted] satisfying [redacted] for the banks which [redacted] enjoyed windfall profits from foreign exchange trading as well as [redacted] provisions in the light of falling [redacted] rates. HSBC Holdings [redacted] jumped from 19th place to 8th, though that [redacted] reflects [redacted] acquisition of Midland Bank and the astonishing buoyancy of the Hong Kong market.

The [redacted] factor [redacted] also helped [redacted] Standard Chartered, up from 259th place to 165, while the merchant banks have also reflected the buoyant state of financial markets. Both S.G. Warburg and Schroders moved up smartly, while Kleinwort Benson entered the rankings at 492.

Falling gilt market yields and lower bank base rates have also put a different perspective on the property market. Land Securities jumped to 108 from 136th place in the rankings. Hopes that the construction industry would benefit from lower interest rates boosted building materials suppliers. Redland rose to 132 from 166. It was helped also by its extensive interests [redacted] Germany [redacted] rebuilding has continued in the [redacted] despite the [redacted] in the [redacted]

Curiously, the yield attractions [redacted] have [redacted] the electricity companies (Southern, [redacted] Electricity [redacted] up [redacted] leaders), [redacted] been less in [redacted] This [redacted] reflect [redacted] capital [redacted] required [redacted] EU standards. In [redacted] pounded by [redacted] into unregulated markets. Severn Trent, Northwest [redacted] Anglian Water all moved lower.

Among individual companies it [redacted] been a remarkable recovery [redacted] British Aerospace, [redacted] from [redacted] as restructuring of its aerospace business and [redacted] ery in the car market [redacted] Having finally managed [redacted] increase [redacted] prices, British Steel jumped [redacted] 147th place from [redacted] With the [redacted] management installed by Hongkong Land making [redacted] presence felt, Trafalgar House joined the rankings at 319th position.

Reed Elsevier and Zeneca [redacted] joined, the former on merger, the latter on its demerger from ICI. Mirror Group was another addition. Departures included Charter, Ranks Hovis McDougall (bought by Tomkins), British Vita, Pentland Group, Iceland Foods and Courtaulds Textiles.

■ SPAIN

Enter blue-chip Argentaria

The first four institutions on the Madrid stock exchange in terms of market capitalisation are all controlled by the government, writes Tom Burns

There was no whispering, back-door entry by Argentaria into the FT500. The Spanish banking [redacted] came in with a bang that shot it into the upper echelons.

Previously unlisted, through being wholly state-owned, Argentaria placed 25 per cent [redacted] its equity on the market in May, and then another 25 [redacted] cent in November, and displaced Banco Bilbao Vizcaya as the largest Spanish bank in terms of market capitalisation.

May's Argentaria One had netted Pta120bn in a heavily subscribed placement, and the combination of unsatisfied investor demand and the bank's strong third-quarter figures ensured a further Pta170bn for the Spanish exchequer when Argentaria Two [redacted] months later. With Argentaria now recognised as a solid blue chip, the top Spanish companies at present have a distinctly "statified" air about them: the first four institutions on the Madrid stock exchange in terms of market capitalisation – the telecommunications group Telefonica; the electrical utility, Endesa; Repsol, the energy corporation; and Argentaria – [redacted] all controlled by the government. Together, they represent 35 per cent of the Bolsa's total capitalisation.

Argentaria's chairman, Francisco Luzon, [redacted] he would like [redacted] avoid tapping the markets again this year, although he concedes that the decision whether to make a further share offering depends [redacted] the government. He hopes to consolidate [redacted] business which [redacted] 30 per cent rise in operating profit in the first nine months [redacted] last year and a 6 per cent rise in its deposits.

There is nothing, of course, to stop the government reducing its equity in Argentaria to below 50 per cent while still controlling the group. It did exactly that in April last year [redacted] Repsol, when it placed [redacted] per cent of the energy conglomerate and lowered the state shareholding to 41 per cent, realising Pta110bn in the process. At Telefonica, the government maintains its control over domestic communications with a 32 per cent shareholding.

However, the eyes of most fund managers scrutinising Spanish companies are likely [redacted] be focused in the coming months on Endesa, where the government is expected to sell off part of its 67 per cent shareholding.

Endesa, long a favoured Spanish stock, [redacted] viewed by analysts [redacted] attractive still, as a result of a government-sponsored reorganisation of the domestic electricity sector that will [redacted] into operation this year. The overhaul includes [redacted] fine-tuning [redacted] the pricing system and a series of asset sales by the [redacted] indebted utilities [redacted] financially healthy [redacted] such as Endesa.

The state-owned utility will lose the price advantages that [redacted] has enjoyed, but will gain far [redacted] through the acquisitions. Essentially, [redacted] will increase [redacted] retail [redacted] strength [redacted] improve [redacted] generating mix that has, in the past, been over-dependent [redacted] coal. The final approval of the electricity sector's overhaul could well be followed by [redacted] decision [redacted] reduce the government's equity in Endesa.

The fortunes of Telefonica and [redacted] Repsol will also [redacted] closely monitored, for both [redacted] challenges in the months ahead. Telefonica's is centred on [redacted] impact of deregulation; while Repsol, which has already waged the liberalisation battle, is finalising details for the purchase of Enagas, Spain's monopoly [redacted] supplier, and is set to create one of the biggest natural [redacted] companies [redacted] Europe.

Telefonica is putting [redacted] a brave face as it prepares for competition on its home turf, and this could well be justified on account of the government's apparent determination [redacted] protect the company by delaying as long [redacted] possible [redacted] implementation of deregulatory [redacted] drawn up the EU. The company claims that it will hold on to a market share of at least [redacted] per cent of the deregulated services, and that it will at most lose 4 per cent of its revenue.

The chairman, Candido Velazquez, has nonetheless taken competition [redacted] board, and has signed up J.P. Morgan as a key partner to assist Telefonica's bid for strate-

Continued [redacted] next page

The cushion may [redacted] wearing thin

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adjudged too small to compete internationally have been folded up into joint ventures with General Electric of the US, for example. Subsidiaries making electricity meters and motors will be sold.

Deutsche Aerospace (Dasa) [redacted] to close at least six sites and its defence business, crippled by government spending cuts, is to be "minimalised" in the words [redacted] Mr Edzard Reuter, Daimler chairman. Just before Christmas, Dasa's MTU aircraft engine business announced a share [redacted] with Pratt [redacted] Whitney of the US, tightening an existing relationship.

Group-wide workforce reduction plans for this year and last allow for [redacted] least [redacted] job losses: mostly in Germany. And change will continue: partnerships are under discussion in other sectors. AEG's DM2bn-a-year railways business, forced out of a planned deal with Siemens last year by the Berlin cartel office, still needs more international muscle.

Like many other German companies, Daimler has taken advantage of the recession to drive through changes which in better times would have run into severe opposition from the workforce. The result, as for many other listed companies, [redacted] been an extraordinary [redacted] of investor confidence. The Frankfurt stock exchange's DAX index, which rose around 40 per cent last year, headed [redacted] more sharply upwards from mid-summer as [redacted] fidence [redacted] that Daimler, the lame duck Volkswagen, the battered chemicals giants and others were coming to grips with their structural problems and could fairly be nominated as "recovery stocks" with plenty of profit potential.

The liveliness of German share prices has admittedly been enhanced by other factors. For example, confidence has been increased by inferences drawn from recent [redacted] national product figures that the west German economy is unlikely to fall any further in the current cycle. The Bundesbank's cautious erosion of interest rates has mobilised funds, and signs that inflation is coming under control give grounds for more optimism. Further impetus has [redacted] from large volumes of foreign liquidity, especially from US investors looking to correct their under-weighting in Germany.

In sum, the investment community has nominated Germany Incorporated [redacted] a holding with "recovery" written all [redacted] it. Many of [redacted] blue chip industrial companies expect to be up and running by [redacted]

But it [redacted] as well [redacted] remember another portion of [redacted] Bayerische Hypo Bank's late-1992 forecast, in which it warned of "a sword of Damocles" hanging [redacted] large swathes of German industry and the banks which finance it. The cost-cutting and rationalisation efforts of the larger groups have created [redacted] disruptive backwash through the ranks of small and medium-sized *Mittelstand* companies which supply the big [redacted] with parts and services.

Under intense pressure to reduce their prices, many have already gone under and many more are struggling to survive. A measure of the scale of the danger was provided in early December by Mr Hilmar Kopper, chairman of Deutsche Bank, who estimated that 1993 provisions for loan risks would be [redacted] record DM3bn. Some 90 per cent of that was required [redacted] cover risks within Germany, he said.

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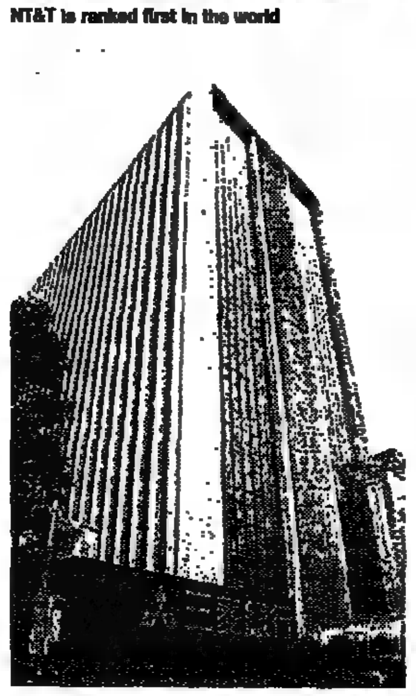
	company	Capital $m	Sector	Rank	Turnover This year $m	Turnover Last year $m	[redacted] change	Profit this year $m	Profit last year $m	[redacted] change	[redacted]	employees	Year [redacted]
1	Nippon Telegraph [redacted] Telephone	[redacted]	223	[redacted]	60671.1	59279.0	2.3	[redacted]	[redacted]	-14.3	2.7	257663	[redacted]
2	Mitsubishi Bank	[redacted]	112		N/R	N/R	0.0	[redacted]	[redacted]	-26.1	1.9		[redacted]
3	Industrial Bank Of Japan	[redacted]	112		N/R	N/R	0.0	782.3	[redacted]	[redacted]	[redacted]		[redacted]
[redacted]	Dai-Ichi Kangyo Bank [redacted]	[redacted]	112		N/R	N/R	0.0	1132.3	[redacted]	-36.9	1.3	[redacted]	[redacted]
5	Sumitomo Bank Ltd	65525.3	112		N/R	N/R	0.0	[redacted]	2301.3	[redacted]	[redacted]	17710	[redacted]
6	Fuji Bank Ltd	63148.5	112		N/R	N/R	[redacted]	993.5	[redacted]	-41.4	1.3	[redacted]	[redacted]
[redacted]	Toyota Motor Corporation	61043.2	[redacted]	5	[redacted]	[redacted]	3.1	[redacted]	[redacted]	-39.7	3.8	108167	[redacted]
8	Sanwa Bank Ltd	60232.2	112		N/R	N/R	[redacted]	1819.4	1975.8	[redacted]	[redacted]		[redacted]
9	Sakura Bank	50591.4	112		N/R	N/R	[redacted]	[redacted]	[redacted]	[redacted]	1.4	22274	[redacted]
10	Tokyo Electric [redacted] Co Inc	41660.0	221	11	43591.2	41587.3	4.9	1326.9	[redacted]	10.2	[redacted]		31/3/92
11	Nomura Securities Ltd	38821.1	121		N/R	N/R	0.0	[redacted]	[redacted]	[redacted]	1.6	[redacted]	[redacted]
12	Bank Of Tokyo [redacted]	[redacted]	112		N/R	N/R	[redacted]	[redacted]	973.6	-24.7	0.5		[redacted]
13	Matsushita Electric Indl [redacted]	[redacted]	[redacted]	7	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	-63.7	0.7	[redacted]	[redacted]
14	Asahi Bank	26401.0	112		N/R	N/R		824.2	614.0	34.2	2.0	[redacted]	[redacted]
15	Kansai Electric [redacted] Co Inc	26185.3	221	21	22168.2	21287.7	4.1	1342.0	1040.4	29.0	1.7	[redacted]	[redacted]
16	Tokai Bank [redacted]	[redacted]	112		N/R	N/R	0.0	[redacted]	932.8	-31.9	1.1	[redacted]	[redacted]
17	Hitachi Ltd	[redacted]	551	6	71459.9	73635.0	-3.0	2225.9	3554.7	-37.4	1.7	[redacted]	[redacted]
18	Seven-Eleven Japan [redacted] Ltd	[redacted]	493	[redacted]	1725.4	1643.9	11.8	903.8	822.2	[redacted]	18.5	[redacted]	[redacted]
19	Long Term Credit Bank	22916.8	112		N/R	N/R	[redacted]	[redacted]	1191.5	[redacted]	0.1	[redacted]	[redacted]
20	Ito-yokado [redacted] Ltd	[redacted]	[redacted]	18	28778.9	[redacted]	[redacted]	1717.4	[redacted]	-11.1	5.9	[redacted]	[redacted]
21	Nippon Steel Corporation	[redacted]	633	17	[redacted]	[redacted]	0.6	[redacted]	[redacted]	-24.8	[redacted]		31/3/92
22	Toshiba Corporation	20599.1	551	10	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	-55.6	1.6	[redacted]	[redacted]
[redacted]	Mitsubishi Heavy Industries	[redacted]	[redacted]	20	[redacted]	[redacted]	[redacted]	1713.6	1488.8	15.1	6.8		[redacted]
[redacted]	Chubu Electric Power Co Inc	[redacted]	[redacted]	23	[redacted]	[redacted]	[redacted]	1132.4	543.5	108.3	1.7	20285	[redacted]
25	Tokio Marine & Fire Ins	[redacted]	152		N/R	N/R	0.0	[redacted]	1275.4	-69.6	0.7	[redacted]	[redacted]
26	Mitsubishi Corporation	[redacted]	511	2	[redacted]	[redacted]	-8.1	987.7	[redacted]	9.3	1.6	[redacted]	[redacted]
[redacted]	Mitsubishi Trust & Banking	17164.0	122	40	11602.7	13890.3	-16.5	[redacted]	[redacted]	-11.9	[redacted]	[redacted]	[redacted]
28	Nissan [redacted] Ltd	[redacted]	401	9	58767.3	60856.5	-3.4	[redacted]	[redacted]			[redacted]	[redacted]
29	Daiwa Securities Ltd	16806.9	121		N/R	[redacted]	0.0	-641.7	[redacted]			[redacted]	[redacted]
30	[redacted] Railway [redacted] Ltd	16475.9	304	61	[redacted]	[redacted]	6.6	[redacted]	[redacted]	-15.4	0.2		31/3/92
31	Daiwa Bank	[redacted]	112		N/R	N/R	0.0	[redacted]	[redacted]	-39.9	1.5		31/3/93
32	Sumitomo Trust & Banking [redacted]	16152.7	112		N/R	N/R	[redacted]	[redacted]	[redacted]	-13.4	2.2	[redacted]	[redacted]
33	All Nippon Airways Co Ltd	16142.7	301	51	[redacted]	8297.7	1.6	[redacted]	195.0	-51.7		[redacted]	[redacted]
34	Sony Corporation	15954.7	402	13	37126.8	[redacted]	6.1	[redacted]	2508.9	-25.5	[redacted]	119000	[redacted]
35	Nikko Securities Co Ltd	15717.2	121		N/R	N/R	0.0	-69.7	859.8			[redacted]	[redacted]
36	Sharp Corporation	14790.5	402	31	[redacted]	14744.2	-3.0	[redacted]	[redacted]	-29.5	3.1	[redacted]	[redacted]
37	Tohoku [redacted] Power Co Inc	14268.1	221	[redacted]	11785.8	10978.1	7.4	[redacted]	753.9	11.8	[redacted]	13519	[redacted]
38	Honda Motor [redacted] Ltd	13940.6	401	12	[redacted]	[redacted]	-5.9	[redacted]	1239.9	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	Fujitsu Ltd	13928.4	[redacted]	15	[redacted]	[redacted]	[redacted]	-92.5	[redacted]			161974	[redacted]
40	Nec Corporation	[redacted]	551	14	33330.0	[redacted]	-6.9	-357.4	[redacted]			140969	31/3/93
[redacted]	Mitsui Trust [redacted] Banking	13861.3	122	46	[redacted]	[redacted]	-12.1	223.6	[redacted]	[redacted]	1.0		31/3/93
42	Nippondenso Co Ltd	[redacted]	571	30	14448.9	14046.8	2.9	[redacted]	1153.2	-21.1	[redacted]	56716	31/12/92
43	Tokyo Gas [redacted] Ltd	[redacted]	[redacted]	[redacted]	7811.1	7385.0	5.8	485.2	217.2	123.4	2.8	[redacted]	31/3/92
44	[redacted] Glass Co Ltd	[redacted]	591	33	12486.1	11834.6	5.5	[redacted]	[redacted]	-31.9	[redacted]	9808	31/12/92
45	Fuji Photo Film [redacted] Ltd	12974.3	463	45	[redacted]	10595.8	2.2	[redacted]	1807.0	-12.4	6.7	[redacted]	31/10/92
46	Kinki Nippon Railway [redacted] Ltd	12972.6	304	53	[redacted]	[redacted]	[redacted]	[redacted]	230.3	16.7	[redacted]		31/3/92
47	Mitsubishi Estate Ltd	[redacted]	161		N/R	N/R	0.0	[redacted]	[redacted]	[redacted]	[redacted]	1956	31/3/92
48	Kirin Brewery Co Ltd	12774.1	421	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	8086	31/12/92
49	Nintendo Co Ltd	[redacted]	[redacted]	60	[redacted]	4470.1	18.2	1714.7	1532.1	11.9	[redacted]		31/3/92
50	Kyushu Electric Power Co Inc	[redacted]	221	36	[redacted]	11499.5	4.1	784.1	797.6	-1.7	1.6	[redacted]	31/3/93
51	Dai Nippon Printing [redacted] Ltd	12288.5	471	37	117[redacted]	11091.6	6.4	[redacted]	922.1	[redacted]	[redacted]		31/3/92
52	Japan Air Lines Co Ltd	12212.5	301	35	[redacted]	13095.1	-7.0	-520.5	-107.4	[redacted]		21991	31/3/93
53	[redacted] Gas [redacted] Ltd	12082.1	222	59	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	24.7	3.4	9033	31/3/92
54	Bank Of Yokohama Ltd	11968.6	112		N/R	N/R	0.0	[redacted]	304.0	-35.4	0.8	6196	31/3/93
55	Shizuoka Bank Ltd	11735.6	112		N/R	N/R	0.0	[redacted]	[redacted]	-1.2	[redacted]	5276	31/3/92
56	Sankyo [redacted] Ltd	11459.8	433	62	4920.7	[redacted]	8.0	[redacted]	554.6	[redacted]	9.9		31/3/93
57	Mitsui [redacted] Co Ltd	11426.0	511	4	162681.0	[redacted]	[redacted]	[redacted]	[redacted]	-20.6	0.6	[redacted]	31/3/93
58	Mitsubishi Electric Corporation	11408.9	551	[redacted]	31701.8	31445.5	[redacted]	[redacted]	[redacted]	-40.7	2.5	102704	31/3/92
59	[redacted] Industries Ltd	11356.3	[redacted]	56	6828.6	[redacted]	1.5	882.1	[redacted]	8.5	7.4	15781	31/3/93
60	Nippon Express Ltd	10888.8	302	26	[redacted]	14435.3	15.2	[redacted]	[redacted]	30.1	5.8	61655	31/3/92
61	Kyocera Corporation	10858.7	551	66	4092.5	[redacted]	-4.8	[redacted]	[redacted]	-15.2	4.6		31/3/93
62	Canon Inc	10556.8	534	24	18153.0	17721.6	2.4	[redacted]	1388.5	[redacted]	3.2	[redacted]	31/12/92
63	Nippon Credit Bank Ltd	10202.3	112		N/R	N/R	0.0	335.2	742.8	-54.9	0.2		31/3/93
[redacted]	Yasuda Trust [redacted] Banking	10030.7	121		N/R	N/R	0.0	395.4	518.4	-23.7	2.7	5963	31/3/92
65	Tonen Corporation	9809.2	[redacted]	56	[redacted]	7520.8	-14.0	290.2	[redacted]	-12.6	[redacted]		31/12/92
66	Mitsui Fudosan Co Ltd	9763.4	161		N/R	N/R	0.0	514.1	[redacted]	-31.9	1.6	[redacted]	31/3/92
[redacted]	*Kawasaki Steel Corporation*	9557.9	633	34	[redacted]	[redacted]	-5.0	81.0	[redacted]	-78.8			31/3/93
68	Chugoku [redacted] Power Co Inc	9520.5	221	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	-12.3	1.5	[redacted]	31/3/93
69	Asahi Chemical Industry [redacted] Ltd	9464.3	622	39	11682.2	[redacted]	-5.7	[redacted]	576.2	-40.9	[redacted]	[redacted]	31/3/93
70	Bridgestone Corporation	9370.3	574	27	16548.1	[redacted]	-1.1	655.9	611.7	[redacted]	[redacted]	65635	31/12/92
71	Sumitomo Corporation	9154.3	633	3	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	-38.2	1.3		31/3/93
72	Nippon Oil Co Ltd	9009.4	214	19	[redacted]	[redacted]	13.5	843.9	770.1	9.6	[redacted]	[redacted]	31/3/92
73	Nkk Corporation	[redacted]	[redacted]	[redacted]	[redacted]	18314.8	-3.8	-111.3	147.4				31/3/93
74	Sumitomo Metal Industries Ltd	[redacted]	[redacted]	[redacted]	16001.8	17239.6	-7.2	0.6	431.4	-99.9	0.1	22089	31/3/93
75	Sekisui House Ltd	8662.5	614	42	11317.6	10883.5	4.0	707.6	877.4	-19.4	4.0	[redacted]	31/01/93
76	Tokyu Corporation	8639.5	304	65	4235.5	3983.8	6.3	129.4	136.0	-4.8	0.3		31/3/92
77	Sumitomo Electric Industries	8590.0	541	44	10973.2	[redacted]	3.9	561.6	642.8	-12.6	5.1	14833	31/3/92
[redacted]	Toyo Trust & Banking [redacted]	[redacted]	121		N/R	N/R	0.0	310.1	435.1	-28.7	2.5	5589	31/3/92
[redacted]	Ajinomoto Co Inc	[redacted]	451	57	6517.2	6422.2	1.5	281.3	211.1	33.2	2.2	11891	31/3/93
80	[redacted] *Corporation*	[redacted]	565	50	[redacted]	[redacted]	3.4	166.8	349.7	-52.3	1.1		31/3/93
81	Fanuc Ltd	8339.3	552	[redacted]	1513.5	[redacted]	-15.4	502.9	674.2	-25.4	7.0		31/3/92
82	[redacted] Electric Co [redacted]	[redacted]	402	29	[redacted]	[redacted]	-3.1	5.3	378.4	-98.6		66156	30/11/92
83	Toppan Printing Co Ltd	8308.7	471	43	11141.0	[redacted]	10.6	834.0	739.3	12.8	6.9	25416	31/3/92
[redacted]	Itochu Corporation	8265.0	511	1	182796.7	[redacted]	[redacted]	181.7	370.9	-51.0	0.1	7449	31/3/93
[redacted]	Tostem Corporation	8255.7	611	[redacted]	4811.4	[redacted]	0.7	350.4	322.1	8.8	4.0	[redacted]	31/3/93
86	Toray Industries Inc	8084.3	621	[redacted]	[redacted]	6696.6	6.5	538.2	616.1	-12.6	4.3		31/3/92
87	Chiba Bank Ltd	8039.9	112		N/R	N/R	0.0	302.5	299.3	1.1	3.0		31/3/93
88	Sega Enterprises Ltd	7998.7	462	68	2348.5	1087.5	116.0	323.3	181.8	77.9	8.1	2324	31/3/92
89	Matsushita [redacted] Works Ltd	7772.8	541	47	10075.2	10220.7	-1.4	433.1	803.6	-46.1	2.4	27689	30/11/92
90	Yamanouchi Pharmaceutical [redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	732.9	710.4	3.2	6.3	3854	31/3/93
91	Kokusai Denshin Denwa Co Ltd	[redacted]	223	69	[redacted]	2282.6	1.6	246.8	246.4	0.2	3.9		31/3/92
92	Kajima Corporation	7547.5	613	[redacted]	20857.7	179[redacted].0	10.0	1170.0	946.7	23.6	8.1	13815	31/3/92
93	Kobe Steel Ltd	7528.0	633	[redacted]	13800.5	13800.8	0.0	499.3	503.5	-0.8	2.3	267097	31/3/92
[redacted]	Daiwa [redacted] Industry [redacted] Ltd	7527.9	614	52	8423.7	7072.9	9.6	939.5	953.4	-1.6	6.2		31/3/92
95	Taisho Pharmaceutical Co Ltd	7497.0	433	71	1803.2	1643.5	9.7	505.1	441.2	14.5	11.9	4400	31/3/92
96	Mitsubishi Kasei Corporation	7473.3	621	41	11531.7	11985.3	-3.8	114.1	344.6	-66.9	0.3	8685	31/3/92
[redacted]	Shikoku Electric Power [redacted] Inc	7395.9	221	[redacted]	4701.1	4319.7	[redacted]	466.2	426.7	9.2	2.7	[redacted]	31/3/93
98	Joyo Bank Ltd	7364.7	112		N/R	N/R	[redacted]	269.0	325.1	-17.2	3.5	[redacted]	31/3/93
99	Secom Co Ltd	7359.2	[redacted]	70	2061.6	[redacted]	14.6	296.9	259.4	14.5	5.3		31/3/92
100	Hachijuni Bank	7268.0	112		N/R	N/R	0.0	257.9	241.3	6.9	4.4	[redacted]	31/3/92

■ Top 100 Japanese companies by market capitalisation

NT&T is ranked first in the world



Mitsubishi Bank is number two in Japan

Tatsuro Toyoda, president of Toyota [redacted]

■ FRANCE

The tables have now turned

Large companies have just ended another year of slack domestic demand. Consumer confidence was depressed by high real interest [redacted] and fears of rising unemployment, writes **Alice Rawsthorn**

Almost all [redacted] French contenders in [redacted] year's version [redacted] FT500 were [redacted] manufacturing and [redacted] of [redacted] losers were from finance.

This [redacted] turned. [redacted] financial [redacted], notably Union des Assurances [redacted] (UAP), Axa [redacted] Assurances [redacted] (AGF) in insurance, succeeded in improving their standing in the [redacted] during [redacted], having slipped down [redacted] index in [redacted] previous year. [redacted] of the earlier manufacturing winners, su[redacted] L'Oréal in [redacted] and BSN in food, [redacted] ground [redacted] year.

[redacted] performance of [redacted] French corpo-[redacted] was scarcely scintillating in 1993. Elf Aquitaine, [redacted] oil [redacted] which is not only [redacted] single [redacted] the [redacted] for sale [redacted] the Balladur government's privatisation drive, slipped from 16th [redacted] 17th place. Even [redacted] stocks, such [redacted] insur-[redacted] saw [redacted] a strong performance in 1993 but in anticipation [redacted] recovery in 1994 and 1995.

The companies quoted on [redacted] CAC 40 [redacted] have just [redacted] of earnings decline, [redacted] illustrated by the [redacted] round [redacted] profits warnings and gloomy corporate statements that have [redacted] from the shareholders' meetings [redacted] the large French [redacted] Mr David Harrington, French market analyst [redacted] Capel in Paris, estimates tha[redacted] CAC [redacted] companies [redacted] a [redacted] cent reduction in net earnings during [redacted]

The [redacted] for this pedestrian perfor-[redacted] all [redacted] obvious. The Balladur government has, like its [redacted] predeces-[redacted], persistently resisted [redacted] temptation [redacted] the [redacted] by accelerating interest [redacted] reduction in favour [redacted] pursuing [redacted] *franc fort* policy [redacted] protecting the French currency.

[redacted] *result*, [redacted] *slipped into* [redacted] during [redacted] quarter [redacted] and [redacted] stubbornly sluggish [redacted] the [redacted] year. France's large companies have just [redacted] yet [redacted] slack domestic demand [redacted] confidence was depressed by [redacted] impact of high real interest [redacted] rising unemployment.

Companies in the [redacted] products sector slipped down the FT500 partly [redacted] of concern about the strength of [redacted] domestic market. BSN, the [redacted] group, tumbled [redacted] in [redacted] year in which [redacted] retail market [redacted] so competitive that it was forced [redacted] cut the prices of some products [redacted] maintain market share.

Media groups also lost ground. Havas, which has extensive interests in advertising and publishing, fell from 128 [redacted] 153 on concern about the condition [redacted] the French advertising market and the impact of the recession [redacted] its travel business. Canal-Plus, [redacted] pay-TV group which [redacted] once a star [redacted] stock market, was hit [redacted] fears about the impact [redacted] the Balladur government's forthcoming media reforms, culminating in its recent profits warning for 1994. It fell from 102 to 129.

Other French companies [redacted] affected by concern about their international interes[redacted]. Despit[redacted] their domestic difficulties, the French continued to fare [redacted] on the foreign front until early [redacted] when the impact of [redacted] franc's strength following the European currency [redacted] in autumn 1992 became [redacted] significant handicap to international competitiveness.

The strong franc not only depressed the reported profits from foreign subsidiaries, but also made it more difficult for French businesses to compete in their export markets. A number of the [redacted] prominent losers among the manufacturers in last year's FT500 [redacted] companies [redacted] had, in the past, fared well [redacted] the export front.

LVMH, the luxury goods group with interests across the drinks and fashion industries, has been badly affected by [redacted] *problems of the global champagne market*, the instability of the Japanese economy and the difficulties [redacted] Guinness, its UK associate. It fell from 31 to 51 in the [redacted] during [redacted] after reporting reduced interim profits and warning of [redacted] further fall in earnings for the full financial year.

Peugeot-Citroën, the motor company, was dogged by concern about the fragility of the European [redacted] market. It slipped from 84 to 100 during a grim year in which *it plunged into the red during the interim* period. Peugeot said that, without the negative swing in exchange rates, it would have stayed in the black in the first half.

But its problems pale beside those of Euro Disney, the leisure group that dived down the FT500 from 184 to 307 as speculation mounted about the prospects for its emergency financial rescue plan. Euro Disney, which reported [redacted] net loss of FFr5.3bn for the year to September 30, looks like a *microcosm of all the problems of the* French corporate scene with the recession reducing the expenditure [redacted] its French customers and the strong franc making [redacted] more difficult to drum up business from other countries.

Yet some French groups did succeed in shrugging off the gloom [redacted] 1993. Retailing was one of [redacted] year's stronger [redacted]

Continued on next page

■ Leading French companies by market capitalisation

	Company	$m	FT500 Rank	[redacted]
1	Elf Aquitaine	[redacted]	17	212
[redacted]	Alcatel Alsthom	18494.8	18	533
[redacted]	Total	12037.0	35	212
4	[redacted]	11690.0	40	221
5	L'Oreal	11658.0	[redacted]	432
6	LVMH	10480.5	51	422
[redacted]	[redacted] Groupe	10242.8	53	451
8	U.A.P.	9585.5	58	151
9	Suez (Compagnie Financiere [redacted]	9099.4	62	112
10	[redacted] Generale	8984.2	64	112
11	Axa	8418.7	[redacted]	171
12	*L'Air Liquide*	7865.3	[redacted]	621
13	[redacted]	7790.5	73	112
14	[redacted]ur	7696.7	75	493
15	Rhone-Poulenc	7279.7	79	622
16	AGF	7189.2	80	151
17	Saint-Gobain	7027.5	81	611
18	Peugeot	5786.4	100	401
[redacted]	Lyonnaise des Eaux-Dumez	4634.5	126	[redacted]
20	Canal +	4543.8	129	474
21	Lafarge Coppee	4370.3	131	611
22	GAN	4033.4	141	151
23	Elf Sanofi	3808.8	152	433
24	*Havas (Agence)*	*3784.7*	*153*	[redacted]
[redacted]	Michelin	3444.1	[redacted]	574
[redacted]	Pernod Ricard	3430.2	164	422
[redacted]	Schneider SA	3417.3	168	171
28	Eridania Beghin-Say	[redacted]	172	451
[redacted]	Thomson-CSF	3211.6	176	551
[redacted]	*Pechiney* [redacted]	*3045.6*	*187*	*672*
31	Promodes	2828.6	201	[redacted]
[redacted]	CarnaudMetalbox	2802.3	205	[redacted]
33	[redacted] de France	2743.5	209	122
[redacted]	Cetelem	2696.2	210	112
[redacted]	Accor	2691.8	211	464
36	[redacted] de France	2635.0	215	1[redacted]
37	Institut [redacted]	2630.4	216	433
38	Navigation [redacted]	2621.7	[redacted]	171
39	Valeo	2515.0	226	571
[redacted]	[redacted]	2397.4	234	622

At Telefonica, [redacted] government maintains [redacted] a 32 [redacted] cent [redacted]

[redacted] alliances [redacted] foreign acquisitions.

The [redacted]h [redacted]y announced [redacted] *month that it was undertaking "intensive* co-operation" with Unisource, and this [redacted] viewed as [redacted] step towards taking an equity [redacted] in the joint venture [redacted] links the telecom companies of the Netherlands, Sweden and Switzerland. Meanwhile, Telefonica is establishing itself in Latin America, where [redacted] has holdings in telecom [redacted] ators [redacted] Chile, Argentina and Puerto Rico.

Repsol continues [redacted] highly profitable. It reported a 27.5 per cent rise in operating *profits to Pta112.6bn in the first nine* months of last year, brought [redacted] chemical [redacted] back [redacted] profit in the third quarter, and posted a [redacted] cent profit increase [redacted] Pta27bn [redacted] Natural, [redacted] gas supplier which it controls and 45 per cent owns. Repsol's healthy balance sheet [redacted] more than [redacted] have the group acquire, through [redacted] Natural, the government-owned distributor Enagas in [redacted] worth more than Pta80bn.

■ Spanish companies by market capitalisation

	Company	$m	FT500 rank	[redacted]
1	Telefonica	11118.6	[redacted]	223
2	[redacted]	10595.4	[redacted]	[redacted]
3	Repsol	8732.3	66	212
4	Banco Bilbao Vizcaya	6060.3	92	112
5	Banco de Santander	5721.9	101	112
6	Iberdrola	5399.8	106	221
7	Argentaria	5248.8	107	112
[redacted]	[redacted] Hispanoamericano	5038.5	113	112
9	Banco Popular Espanol	3497.7	160	112
10	Banco Exterior	3321.2	171	112
11	Banesto Group	3139.8	184	11[redacted]
12	Gas Natural	2143.7	260	222
13	Centros Co[redacted] Pryca	2087.4	264	493
14	Autopistas	2013.0	273	304
15	Fomento [redacted] Construcciones	1745.2	312	611
16	Compania Espanola [redacted] Pet.	1506.5	356	214
17	Bankinter	1343.1	398	112
18	Sevillana de Electricidad	1221.5	[redacted]	221
19	*Mapfre (Corp)*	[redacted]	*438*	[redacted]
[redacted]	Fecsa	1080.1	449	221
21	Union [redacted]	1075.7	451	221
22	Tabacalera	1054.9	464	425
23	Dragados [redacted]	933.5	496	613

Devaluation helps Swedes and Finns

Since 1992, the tables have been turned

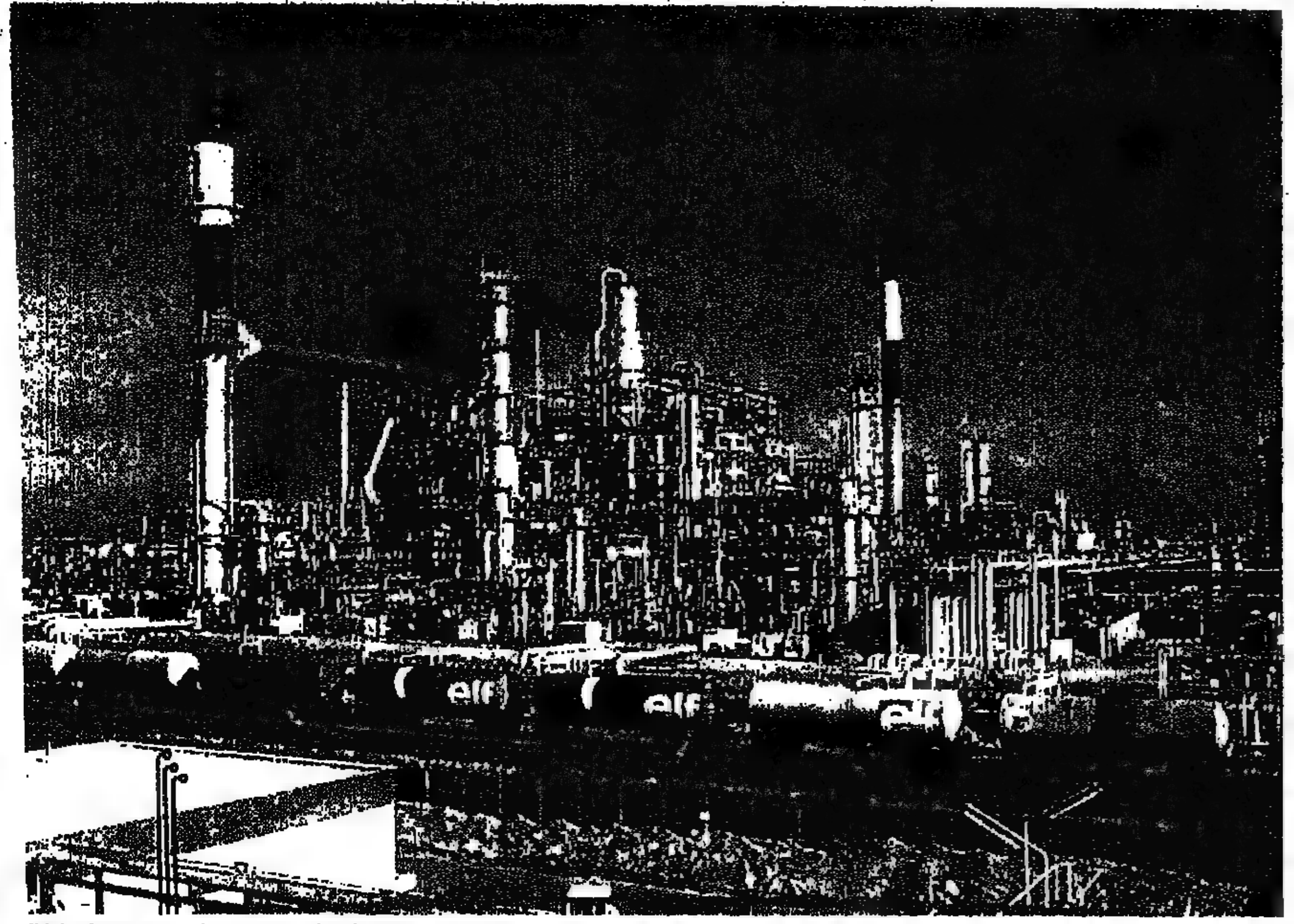
Continued from page 17

despite the strains on consumer spending and the poor results of a number of big companies. Carrefour, the hypermarket chain, and Promodes, the mail order concern, both managed to move up the FT500.

Similarly, the large insurers fared well in the face of lacklustre results. UAP edged up to 58 in anticipation of its forthcoming privatisation. Its shares [redacted] bolstered by a modest improvement in its 1993 results and the expectation of further progress next year. Axa and AGF also rose in the index – from 95 [redacted] 68 and from 110 to 80 respectively – on recovery hopes.

Investors clearly consider the worst is over, not only for the large French insurers, but the [redacted] of the corporate sector. The economy is still in a fragile state – and its prospects for recovery will be complicated by the condition of trading partners such as Germany – but analysts do expect to see some improvement this year.

James Capel has pencilled in increases in CAC 40 net earnings of 28 per cent for 1994 and 29 per cent for 1995, thereby marking the end of four years of decline.



Elf Aquitane, France's next candidate for sale in the Balladur government's privatisation drive, slipped from 16th to 17th

■ ITALY

Privatisation spurs equities market

The improvement in the country's position in the FT500 this year is explained by [redacted] combination of a substantial rise in share prices and some large capital increases, writes David Lane

One of the FT500's second division countries, Italy did better in [redacted] The list shows a net gain [redacted] two Italian companies to [redacted] total of 25, with six arrivals against four departures. And of the 19 listed in 1992, 16 moved upwards in the new table. Indeed, three leapt more than 100 places.

The improvement in the Italian position is explained by a combination [redacted] substantial rise in share prices and some large capital increases. These more than compensated for the lira's steep depreciation against the dollar, in which company capitalisation is measured, from about L1,300 at the beginning of October 1992 [redacted] almost L1,600 [redacted] the end of September 1993.

Share price indices show that it was, overall, a good [redacted] to be invested in Italian equities. When the market closed [redacted] September 30 1993, the Comit general index (1972 base=100) stood at [redacted] compared with 364 [redacted] year before. While the rise [redacted] per cent left the index considerably short of the 908 high reached in May 1986, it regained all the ground lost between the beginning of October 1991, when it stood at 539, and the end of September 1992.

[redacted] substantial part [redacted] the price recovery occurred during autumn [redacted] with the Comit general index rising 22.5 [redacted] cent in the final quarter to 446. However, the improvement continued strongly in the first nine months of [redacted] with the index gaining [redacted] cent. The MIB general index, which is reset to 1,000 at the beginning [redacted] each [redacted] at 1,310 [redacted] 30 September 1993.

Why have Italian stocks excelled? In common with other equity markets, Italy has benefited from the sharp drop in interest rates that has led savers to seek alternatives [redacted] bank deposits and government securities.

While inflation stood at just over 5 per cent in September 1992, the [redacted] treasury bills was nearly 18 per cent, and certificates of deposit were yielding around 12 per cent. Real returns have plummeted. In the 12 months to September [redacted] on treasury bills plunged to just [redacted] 9 [redacted] cent, and rates on certificates of deposit fell to 8 per cent, while inflation was less than one percentage point lower at a little [redacted] 4 per cent.

Attilio Ventura, chairman of the Italian Stock Exchange Council, noted the change in savings patterns when he [redacted] the Federation of European Stock Exchanges at the end of October. "In the [redacted] few months, record amounts [redacted] money have flowed into mutual funds. Purchases of Italian shares by these funds have increased from L100bn in the last quarter [redacted] 1992 to L700bn in the quarter just ended in September."

Trading volumes and values have reflected the increased interest in equities. In August, September and October [redacted] the average daily values of transactions [redacted] the Italian stock market [redacted] L111bn, L90bn and L156bn respectively. The average daily value in the first nine months of 1993 was L390bn, with high points of L455bn and L574bn in August [redacted] September.

The Italian government's privatisation programme has helped stimulate the equities market. The start was made with the Amato government's announcement, in September [redacted] that Credito Italiano (the retail bank controlled by the IRI [redacted] holding corporation) and Nuovo Pignone (the mechanical engineering [redacted] owned by the ENI [redacted] hydrocarbons holding) were to be sold.

Privatisation progress has sometimes faltered. But the recent successful public offer of Credito Italiano shares, the [redacted] of two divisions of IRI's stock market-quoted SME food and retailing group, and the imminent public offers of [redacted] in Banca Commerciale Italiana, the Treasury-controlled IMI financial conglomerate [redacted] insurer INA suggest that substantial privatisation will [redacted] reality.

The price of Credito Italiano's [redacted] rose sharply when the bank's privatisation was announced, moving from L1,743 [redacted] L3,160 during the last quarter [redacted] It subsequently slipped back, but was nevertheless nearly [redacted] cent higher at L2,643 on September [redacted] than it had been [redacted] months before. The price of Banca Commerciale Italiana's shares rose 71.2 per cent from [redacted] to L4,858 in the year [redacted] September 30 1993, [redacted] improvement that lifted it [redacted] 219th place in the FT500, from 250th in [redacted]

Even more impressive was the performance [redacted] in IRI-controlled telecommunications companies, with the prices [redacted] and [redacted] increasing [redacted] than [redacted] to L3,677 and L4,405 respectively. It is not surprising [redacted] these two stocks moved firmly up, the former from [redacted] (to be ranked the second Italian) and the latter from 136 to [redacted] Sip [redacted] have been [redacted] the most active, together accounting for around 11 per cent of total trading value in the [redacted] September [redacted]

According [redacted] Ventura, "the vast privatisation [redacted] introduced by the government will have a triple effect: an increase in the number of Italian shareholders, an increase in the number of [redacted] panies listed [redacted] the exchange [redacted] increase in the float [redacted] state-owned [redacted] nies already listed."

One-third of industrial activity and two-thirds [redacted] the banking and financial [redacted] are controlled directly [redacted] indirectly by the state, and state-owned companies account for over [redacted] third [redacted] the market capitalisation of the Italian [redacted] exchange.

But private-sector [redacted] have not been forgotten. Shareholders in Fiat, whose ordinary [redacted] for about [redacted] per [redacted] total trading, [redacted] the [redacted] price bounce [redacted] from L3,460 [redacted] September 30 [redacted] L5,648 [redacted] year later. There was [redacted] a small improvement in Fiat's [redacted] ranking, from [redacted] to [redacted]

Fiat's Toro insurance subsidiary performed well, improving [redacted] places in the list from [redacted] to [redacted] The other Italian insurers in the [redacted] also earned higher rankings. Generali remained the top Italian company, in [redacted] place, having been [redacted] in [redacted] (Shareholders saw the price rise from just [redacted] L20,000 [redacted] nearly L40,000 during the year.)

Alleanza, [redacted] and SAI [redacted] higher places, while Fondiaria entered [redacted] rankings [redacted] State-owned Assitalia, whose shares [redacted] subject [redacted] purchase [redacted] at the end of [redacted] prior [redacted] privatisation of its INA parent, crept into the rankings [redacted] 499.

Having slipped ignominiously [redacted] the [redacted] in [redacted] Olivetti [redacted] a reappearance [redacted] in [redacted] place for [redacted] However, although shareholders have [redacted] the share price [redacted] upwards, it has underperformed against the indices, and they were [redacted] to subscribe to [redacted] substantial capital increase during the year, while seeing losses [redacted]

■ Italian companies by market capitalisation

	Company	$m	[redacted] rank	[redacted]
1	Generali (Assicurazioni)	18347.3	[redacted]	151
2	SIP	11512.0	[redacted]	[redacted]
3	STET	8790.5	05	171
4	Fiat	6446.6	[redacted]	401
5	Alleanza	6090.2	90	[redacted]
6	RAS	3442.5	163	151
7	Mediobanca	3361.4	[redacted]	121
8	[redacted] Commerciale Italiana	2604.7	[redacted]	112
9	Credito Italiano	[redacted]	256	112
10	Fondiaria	[redacted]	[redacted]	151
11	SAI	1752.0	309	151
12	Italgas	[redacted]	324	[redacted]
[redacted]	[redacted] Spa	[redacted]	[redacted]	574
14	Toro (Assicurazioni)	1491.6	359	151
[redacted]	Olivetti	1477.5	383	[redacted]
16	Gemina	1476.4	[redacted]	131
17	Parmalat	[redacted]	382	451
[redacted]	Sirti	[redacted]	[redacted]	533
19	Banco Ambrosiano [redacted]	[redacted]	[redacted]	112
20	SME	[redacted]	[redacted]	[redacted]
21	IFIL	[redacted]	[redacted]	171
22	[redacted] (La)	[redacted]	[redacted]	[redacted]
23	Italcable	1061.4	460	[redacted]
24	Montedison	[redacted]	[redacted]	622
25	Assitalia	[redacted]	[redacted]	[redacted]

IBM's decline to 25th [redacted] market capitalisation is one of the most dramatic examples of changing corporate fortune highlighted in the FT's table of top American companies

■ UNITED STATES

Chrysler accelerates [redacted] changes gear

The table of top US companies graphically underlines the way in which different companies have responded to the technological and competitive challenges reshaping the business landscape, writes Martin Dickson

[redacted] two years [redacted] largest American [redacted] ranked by [redacted] capitalisation, was [redacted] long-time bellwether [redacted] US [redacted] sentiment, International [redacted]

Today, IBM [redacted] in [redacted] FT's [redacted] top US companies, [redacted] capitalisation [redacted] than halved from [redacted] $82bn to today's [redacted] following a plunge in [redacted] company's share price in 1992 [redacted] early [redacted]

Behind [redacted] plunge lay [redacted] sudden realisation that IBM was facing [redacted] structural problems, notably shrinking demand [redacted] computers – [redacted] – and fierce competition from [redacted] rivals in [redacted] personal computer market, [redacted] much [redacted] business.

IBM now ranks [redacted] Intel, the world's largest computer chip manufacturer, [redacted] is [redacted] in the FT [redacted] Ironically, [redacted] owes [redacted] lofty position in [redacted] small measure to IBM, [redacted] the company's [redacted] in 1980 to use one [redacted] Intel's microprocessors [redacted] its first personal computer. [redacted] design [redacted] to [redacted] an industry standard.

Similarly, Microsoft, [redacted] leading American computer software manufacturer, [redacted] ranks 27th, got [redacted] big [redacted] IBM [redacted] the then tiny [redacted] to provide the operating software for [redacted] first PC.

IBM's decline is one [redacted] dramatic examples [redacted] changing corporate fortune in the FT's [redacted] of top American corporations.

The table – [redacted] rankings published by [redacted] as part [redacted] FT500 survey – graphically underlines [redacted] way in [redacted] companies [redacted] responded to [redacted] technological [redacted] competitive challenges which have been reshaping the American [redacted] landscape.

[redacted] IBM's problem [redacted] a [redacted] placent, inward-looking corporate culture – [redacted] of [redacted] industrial dominance in the 1960s and 1970s – which prevented [redacted] just how rapidly [redacted] computer sector's micro-processor revolution [redacted] undermining its competitiveness.

A [redacted] complacency characterised [redacted] Motors, America's largest industrial employer, for [redacted] years, allowing Japanese competitors [redacted] cut deep into [redacted] share of [redacted] market. [redacted] several years of heavy losses, it [redacted] in [redacted] throes of a difficult restructuring aimed at cutting its [redacted] match its much reduced [redacted] position.

[redacted] problems, [redacted] will take [redacted] to solve, [redacted] reflected in [redacted] modest 16th place in [redacted] FT rankings, giving it [redacted] capitalisation of [redacted]

It ranks just [redacted] places [redacted] of the substantially smaller Ford Motor, capitalised [redacted] $27bn, which [redacted] much [redacted] its [redacted] and improve plant productivity.

Chrysler, the smallest of Detroit's [redacted] Three, [redacted] 46th, with [redacted] capitalisation of $17bn, which represents [redacted] huge improvement [redacted] in 1990 appeared [redacted] danger of financial crisis, facing the start [redacted] a [redacted] with [redacted] product line. [redacted] time, [redacted] market capitalisation [redacted] just [redacted] and it ranked [redacted] 150th [redacted] leading companies.

However, [redacted] the past two [redacted] Chrysler [redacted] staged a remarkable recovery, both in profitability and share price performance, [redacted] it has introduced a succession of excitingly styled, well-selling new mod[redacted]

General Electric [redacted] position as America's largest company [redacted] the success [redacted] top management, notably Mr Jack Welch, the chairman, in preventing a spirit of complacency spreading within an organisation which [redacted] long been one of the [redacted] industrial giants.

When Mr Welch took [redacted] as GE chairman in the early [redacted] he realised that, despite the organisation's apparent suc[redacted] its hodge-podge [redacted] was ill-equipped to compete in a world of intensifying global competition.

[redacted] slashed staff, bought and sold divisions, and [redacted] the group's busi[redacted] culture, with the aim of giving the organisation [redacted] of a small, nimble, entrepreneurial [redacted] The result [redacted] been strong productivity and earnings growth for much of the past decade. The leading [redacted] oil companies have long enjoyed a prominent position [redacted] America's largest companies, with their precise positions depending in considerable measure on the fluctuations in the price of crude oil and gasoline.

The [redacted] global oil market has recently held back the earnings of the US majors, though their share price performance appears [redacted] have been bolstered over the past year by their high dividend yields, against a background of falling interest rates.

Exxon, long the largest [redacted] the [redacted] is ranked second in the FT table, with Mobil following in ninth position, Chevron 11th and Amoco 19th.

One [redacted] the most dramatic industrial developments in the US over [redacted] past year has been a spate of takeover bids in the telecommunications and media businesses, as companies jockey for position ahead [redacted] the much-heralded multimedia information technology revolution.

A leading participant in this unheaval [redacted] American Telephone and Telegraph, the long-distance telecommunications and computer company, which is by far the largest US company in the sector, ranking third in the FT table, with [redacted] market capitalisation of $79bn.

The next largest in the [redacted] is GTE, the telecommunications [redacted] that serves markets scattered across the US. It ranks seventh, with a market capitalisation [redacted] $36bn, ahead of the largest "Baby Bell" local phone company, BellSouth, which is capitalised [redacted] $30bn and ranks 15th. The "Baby Bells" are so-called because they [redacted] spun off from AT&T in 1984.

Among retailing companies, Wal-Mart Stores, the discount chain based in Arkan[redacted] continues to consolidate its position as the biggest powerhouse in the sector, expanding its [redacted] footage across the [redacted] with its successful formula [redacted] low prices, good customer relations and efficient back-office operations. It ranks fourth in the FT table, with a market capitalisation of nearly $57bn, [redacted] from around $27bn in 1990, when it [redacted] about the 10th largest company in the nation.

■ A–Z list of the US top 100

[redacted]	RANK
Abbott Laboratories	[redacted]
Albertson's Inc	[redacted]
AlliedSignal Inc	[redacted]
Allstate Corp	57
American Express	44
American Home Products Corp	37
American International Group	[redacted]
American Tele & Telegraph	3
Ameritech Corp	28
Amoco Corp	19
Anheuser- Busch Cos Inc	[redacted]
Atlantic Richfield Co	41
[redacted]	**RANK**
Banc One Corp	[redacted]
Bankamerica Corp	[redacted]
Bell Atlantic Corp	[redacted]
Bellsouth Corp	[redacted]
Berkshire [redacted] Inc	[redacted]
Boeing Co	61
[redacted] Myers Squibb	[redacted]
[redacted]	**[redacted]**
Campbell Soup Co	85
Capital Cities/ ABC Inc	[redacted]
Chemical Banking Corp	71
Chevron Corp	[redacted]
Chrysler Corp	[redacted]
Citicorp	[redacted]
Coca-Cola Co	[redacted]
Consolidated Edison of NY	[redacted]
D	**RANK**
Disney (Walt) Company	[redacted]
[redacted] Chemical	47
Du Pont (E. I.) De Nemours	[redacted]
Duke Power Co	[redacted]
Dun & Bradstreet Corp	73
E-F	**RANK**
Eastman Kodak Co	34
Emerson Electric Co	59
Exxon Corp	2
Fed Home [redacted] Mtg Co	[redacted]
Federal Natl Mortgage Assn	[redacted]
Ford Motor Co	[redacted]
[redacted]	**[redacted]**
General [redacted] Co	1
General [redacted] Inc	[redacted]
General Motors Corp	[redacted]
General Re Corp	[redacted]
Gillette Co	[redacted]
[redacted]	7
H	**[redacted]**
Heinz (H.J.) Co	91
[redacted] Co	49
Home Depot Inc	[redacted]
I-J	**[redacted]**
Intel Corp	17
Intl Business Machines Corp	[redacted]
ITT Corp	[redacted]
Johnson & [redacted]	23
[redacted]	**RANK**
K Mart Corp	84
[redacted]	[redacted]
Lilly (Eli) & Co	[redacted]
M	**RANK**
Martin Marietta Corp	[redacted]
May Department Stores Co	[redacted]
McCaw Cellular Comm - Cl A	[redacted]
McDonalds [redacted]	[redacted]
MCI Comm[redacted]	[redacted]
[redacted] & Co	[redacted]
[redacted] Lynch [redacted]	[redacted]
[redacted] Corp	27
Minnesota Mining & [redacted] Co	30
Mobil Corp	9
Morgan (J.P.) & [redacted]	51
Motorola Inc	[redacted]
O-R	**RANK**
Oracle Systems Corp	96
Pacific Gas & [redacted]	60
Pacific Telesis [redacted]	29
Paramount Communications Inc	[redacted]
Penney (J.C.) Co	74
Pepsico Inc	14
Pfizer Inc	36
Philip Morris Cos Inc	[redacted]
Phillips Petroleum Co	95
Primerica Corp	[redacted]
Procter & Gamble Co	[redacted]
Public Service Enterprises	[redacted]
Raytheon Co	[redacted]
S	**RANK**
Sara Lee Corp	[redacted]
[redacted]	79
Schering- Plough	62
Sears Roebuck & Co	39
Southern Co	65
Southwestern [redacted]	[redacted]
Sprint Corp	[redacted]
T	**RANK**
Tele-communications - Cl A	[redacted]
Tenneco Inc	[redacted]
Texaco Inc	[redacted]
Texas Utilities Co	[redacted]
Time Warner Inc	49
Toys R Us Inc	78
U	**RANK**
[redacted]	[redacted]
Union Pacific Corp	63
W	**RANK**
Wal-mart Stores	4
Warner- Lambert Co	92
Wmx Technologies Inc	53

■ The Top 100 US companies by market capitalisation

	company	[redacted]	[redacted]	Rank	Turnover This year $m	Turnover Last year $m	[redacted] change	Profit this year $m	Profit last year [redacted]	% [redacted]	ROCE	[redacted]	Year ending
1	General [redacted]	[redacted]	641	[redacted]	58274.0	59379.0	-5.2	[redacted]	[redacted]	-2.8	[redacted]	[redacted]	31/12/92
2	Exxon Corp	[redacted]	[redacted]	2	103160.0	102847.0	[redacted]	[redacted]	8685.0	-13.3	[redacted]	[redacted]	31/12/92
3	American Tele & Telegraph	79305.0	223	4	64904.0	63089.0	2.9	[redacted]	883.0	568.4	13.6	[redacted]	31/12/92
4	Wal-mart Stores	56598.2	[redacted]	8	55483.7	43886.9	[redacted]	3166.3	[redacted]	24.0	14.7	[redacted]	31/01/93
5	Coca-Cola [redacted]	54971.4	424	34	13073.8	11571.6	13.0	2746.1	2383.3	16.2	[redacted]	[redacted]	31/12/92
[redacted]	Philip Morris Cos Inc	40209.9	425	10	50095.0	48064.0	4.2	8608.0	6971.0	[redacted]	18.4	[redacted]	31/12/92
7	GTE Corp	[redacted]	223	22	19984.0	19621.0	1.9	[redacted]	2319.0	24.6	[redacted]	131000	31/12/92
8	Merck & Co	34962.8	433	49	9662.5	[redacted]	[redacted]	3595.8	3191.9	12.7	[redacted]	[redacted]	31/12/92
9	Mobil [redacted]	32606.0	212	6	56877.0	56042.0	1.5	2875.0	[redacted]	[redacted]	[redacted]	63700	31/12/92
10	Procter [redacted] Gamble Co	32383.3	453	16	30433.0	29362.0	3.6	349.0	2685.0	[redacted]	2.1	103500	30/06/93
11	Chevron Corp	31817.3	212	12	37464.0	36461.0	2.8	3483.0	2252.0	[redacted]	11.8	49245	31/12/92
12	Du Pont (E. I.) De Nemours	31479.9	622	13	37208.0	38151.0	-2.5	1811.0	2818.0	-35.7	6.1	[redacted]	31/12/92
13	American International Group	31145.0	151		N/R	N/R	0.0	2137.0	2022.6	5.7	[redacted]		31/12/92
14	Pepsico Inc	31031.0	424	19	21970.0	19607.9	12.0	1898.8	1670.3	13.7	[redacted]	371000	31/12/92
15	Bellsouth [redacted]	29995.9	[redacted]	[redacted]	[redacted]	14445.5	[redacted]	[redacted]	2260.3	16.4	7.8	[redacted]	31/12/92
16	General Motors [redacted]	29629.8	401	1	130590.0	122081.0	[redacted]	[redacted]	-5892.3	0.0	[redacted]	[redacted]	31/12/92
17	Intel Corp	[redacted]	551	71	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	31.3	[redacted]	[redacted]	31/12/92
18	Bristol [redacted] Squibb	29066.1	431	[redacted]	11156.0	11159.0	0.0	[redacted]	2887.0	-31.2	[redacted]	52800	31/12/92
19	[redacted] Corp	28693.2	214	18	25260.0	26325.0	-0.2	1003.0	2035.0	-50.7	4.7	46994	31/12/92
20	Motorola Inc	27767.2	551	31	13303.0	11341.0	17.3	800.0	613.0	30.5	[redacted]	[redacted]	31/12/92
21	[redacted] Atlantic Corp	27717.0	223	36	12647.0	12279.7	3.0	2025.7	[redacted]	1.5	9.1	71400	31/12/92
22	Ford Motor [redacted]	27205.1	401	3	[redacted]	[redacted]	13.4	[redacted]	-2587.0	[redacted]		325333	31/12/92
23	Johnson & [redacted]	25787.2	431	30	13753.0	12447.0	[redacted]	[redacted]	2038.0	8.3	24.9	[redacted]	31/12/92
24	Southwestern [redacted] Corp	25730.2	223	[redacted]	10015.4	[redacted]	[redacted]	1869.7	1644.2	13.7	8.7	[redacted]	31/12/92
25	Intl Business Machines Corp	[redacted]	531	[redacted]	[redacted]	[redacted]	-0.4	-9026.0	121.0	[redacted]		301542	31/12/92
26	[redacted]	[redacted]	223	41	[redacted]	10818.4	[redacted]	1973.7	[redacted]	19.2	11.6	71300	31/12/92
27	Microsoft Corp	[redacted]	482	82	3753.0	2758.7	36.0	1401.0	1041.3	34.5	29.4	[redacted]	30/06/93
28	[redacted] Laboratories	[redacted]	431	57	7851.9	[redacted]	14.2	[redacted]	1544.2	12.6	[redacted]	48118	31/12/92
29	Pacific [redacted] Group	22378.5	223	48	9935.0	9895.0	[redacted]	1807.0	[redacted]	7.3	8.3	61346	31/12/92
30	Minnesota Mining & Mfg Co	22321.3	406	29	13883.0	13340.0	4.1	1947.0	1877.0	3.7	18.3	[redacted]	31/12/92
31	Federal Natl Mortgage Assn	21471.3	121		N/R	N/R	0.0	[redacted]	[redacted]	14.5	1.4		31/12/92
32	US [redacted] Inc	20568.5	223	45	[redacted]	10577.2	-2.8	1714.4	740.7	[redacted]	7.9	[redacted]	31/12/92
33	Disney (Walt) Company	[redacted]	461	59	[redacted]	[redacted]	21.4	1301.8	1018.5	[redacted]	12.9	58000	30/09/92
34	Eastman Kodak Co	[redacted]	[redacted]	21	20183.0	19419.0	3.9	[redacted]	11.0		7.2	[redacted]	31/12/92
35	Berkshire Hathaway Inc	19226.3	171	84	3029.3	3106.0	-2.5	550.6	593.0	-7.1	4.2	[redacted]	31/12/92
36	Nynex Corp	18921.1	223	32	13155.0	13249.8	-0.7	1881.6	[redacted]	[redacted]	[redacted]	[redacted]	31/12/92
37	American Home Products Corp	18897.3	433	56	7873.7	[redacted]	11.2	1724.1	1759.8	-2.0	[redacted]	[redacted]	31/12/92
38	Pfizer Inc	18895.1	433	61	7230.2	6950.0	4.0	1534.8	943.7	62.6	20.5	40700	31/12/92
39	[redacted] Roebuck [redacted]	18853.6	171	9	52344.6	57242.4	-8.6	-4680.8	1471.4	0.0		403000	31/12/92
40	McDonalds Corp	18343.0	464	64	[redacted]	6695.0	6.5	1448.1	1299.4	11.4	10.5	[redacted]	31/12/92
41	Atlantic Richfield Co	18224.3	214	[redacted]	17503.0	[redacted]	[redacted]	1907.0	1160.0	64.4	9.0	[redacted]	31/12/92
42	[redacted]	17542.4	212	14	[redacted]	[redacted]	-1.2	[redacted]	[redacted]	-7.9	6.1	37582	31/12/92
43	Hewlett-Packard [redacted]	17389.3	531	[redacted]	16410.0	14494.0	[redacted]	[redacted]	1127.0	17.6	11.1	92600	30/10/92
44	[redacted] Express	17386.9	121		N/R	N/R	0.0	775.0	759.0	2.1	2.3	[redacted]	31/12/92
45	Home Depot Inc	17178.6	[redacted]	[redacted]	7148.4	5136.7	39.2	[redacted]	[redacted]	[redacted]	11.5	[redacted]	31/01/93
46	Chrysler Corp	16843.2	401	15	35501.0	28162.0	26.1	[redacted]	-810.0	0.0	[redacted]	128000	31/12/92
47	Dow Chemical	16011.6	622	[redacted]	18971.0	18807.0	0.9	[redacted]	[redacted]	[redacted]	1.7	[redacted]	31/12/92
48	Bankamerica Corp	[redacted]	112		N/R	N/R	[redacted]	[redacted]	1673.0	43.2	4.7	[redacted]	31/12/92
49	Time Warner Inc	[redacted]	472	35	13070.0	12021.0	[redacted]	[redacted]	[redacted]	515.4	0.4	[redacted]	31/12/92
50	Pacific [redacted] & Electric	15255.0	221	44	10296.1	9778.1	5.3	2097.9	1677.9	11.7	[redacted]	[redacted]	31/12/92
51	Morgan (J.P.) [redacted]	15102.2	112		N/R	N/R	[redacted]	[redacted]	[redacted]	17.8	11.0	[redacted]	31/12/92
52	MCI Communications	14807.0	223	43	10562.0	[redacted]	11.3	[redacted]	848.0	13.6	9.3	[redacted]	31/12/92
53	Wmx Technologies Inc	14711.7	563	52	8661.0	7550.9	14.7	[redacted]	[redacted]	36.0	[redacted]	[redacted]	31/12/92
54	Lilly (Eli) & Co	14631.7	433	58	[redacted]	5725.7	7.7	1182.3	[redacted]	-37.1	15.1	32200	31/12/92
55	Southern Co	14360.0	221	54	8072.6	8049.9	0.3	[redacted]	[redacted]	6.8	[redacted]	[redacted]	31/12/92
56	Citicorp	[redacted]	112		N/R	N/R	0.0	1418.0	-237.0	0.0	2.3	81000	31/12/92
57	Allstate Corp	14287.5	151		N/R	N/R	0.0	[redacted]		0.0			31/12/92
58	Banc [redacted] Corp	14154.2	112		N/R	N/R	0.0	1160.8	[redacted]	64.8	12.2	32700	31/12/92
59	Emerson Electric Co	13262.2	541	58	7706.0	7427.0	3.8	1043.9	1003.1	4.1	15.9	69400	30/06/93
60	Nationsbank Corp	13107.6	112		N/R	N/R	0.0	1398.0	109.0	1180.7	10.5	50828	31/12/92
61	[redacted] Co	13035.3	523	17	30184.0	29314.0	3.0	2256.0	2204.0	2.4	15.5	[redacted]	[redacted]
62	Schering-Plough	12840.2	433	80	4055.7	3615.6	12.2	953.9	860.8	10.8	40.4	21100	31/12/92
63	Union Pacific Corp	12809.5	304	60	7294.0	7029.0	3.8	1101.0	112.0	883.0	8.4	46039	31/12/92
64	Albertson's Inc	12751.5	493	46	10173.6	8680.5	17.2	[redacted]	[redacted]	9.2	14.6	[redacted]	30/01/93
[redacted]	[redacted]	[redacted]	432	75	[redacted]	[redacted]	10.2	829.7	[redacted]	[redacted]	[redacted]	30900	31/12/92
[redacted]	Sprint Corp	[redacted]	[redacted]	50	[redacted]	[redacted]	5.1	655.7	[redacted]	8.0	[redacted]	43400	31/12/92
[redacted]	Anheuser- Busch Cos Inc	12414.1	421	39	11393.7	10996.3	[redacted]	1615.2	[redacted]	[redacted]	13.7	44871	31/12/92
68	Primerica Corp	11482.8	121		N/R	N/R	0.0	1187.8	[redacted]	50.2	[redacted]	16700	31/12/92
[redacted]	Sara Lee Corp	11467.1	451	28	14580.0	13243.0	10.1	1082.0	1174.0	-7.8	13.1	138000	30/06/93
[redacted]	[redacted] Co	11393.0	451	67	[redacted]	5766.6	[redacted]	1070.4	[redacted]	8.8	[redacted]	16551	31/12/92
71	[redacted] Banking Corp	11331.0	112		N/R	N/R	0.0	1329.0	290.0	358.3	0.5	39687	31/12/92
[redacted]	ITT Corp	11148.6	591	20	21651.0	20421.0	6.0	-498.0	930.0	[redacted]		106000	31/12/92
73	Dun & Bradstreet Corp	11144.2	472	77	[redacted]	4642.8	2.3	795.2	730.6	8.8	[redacted]	[redacted]	31/12/92
74	Penney (J.C.) Co	11044.2	[redacted]	23	19085.0	[redacted]	10.3	[redacted]	[redacted]	169.0	9.9	192000	31/01/93
75	McCaw Cellular Comm - [redacted] A	11031.7	223	85	1743.3	[redacted]	27.7	-168.9	-[redacted]	[redacted]		8824	31/12/92
76	May Department Stores [redacted]	10806.9	491	42	11150.0	10615.0	5.0	791.0	[redacted]	-0.6	9.9	111000	31/01/93
77	Tele-communications - C L A	10765.1	474	[redacted]	[redacted]	3827.0	[redacted]	172.0	-[redacted]			22000	31/12/92
78	Toys R Us Inc	[redacted]	[redacted]	62	[redacted]	6124.2	17.1	689.0	538.9	[redacted]	[redacted]	[redacted]	31/01/93
79	[redacted]	10465.9	221	55	7983.6	7502.5	[redacted]	1247.0	1180.7	5.6	6.0	17256	31/12/92
80	[redacted] Re Corp	10395.2	152		N/R	N/R	0.0	721.4	[redacted]	-9.1			31/12/92
81	Merrill Lynch & Co	10368.4	121		N/R	N/R	[redacted]	1621.4	1017.4	[redacted]	[redacted]	40100	31/12/92
82	AlliedSignal Inc	10279.7	[redacted]	[redacted]	12042.0	11631.0	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	89300	31/12/92
83	Texas Utilities Co	10102.2	221	76	[redacted]	[redacted]	0.3	920.1	-525.5	0.0	4.7	14023	31/12/92
84	K Mart Corp	9896.9	492	11	37942.0	34792.0	9.1	[redacted]	1301.0	9.6	7.5	[redacted]	31/01/93
85	Campbell Soup Co	9700.9	451	66	6263.2	6204.1	1.0	799.3	674.6	18.5	17.9	[redacted]	31/07/93
86	[redacted] Mills Inc	9591.8	451	53	8134.6	7777.8	[redacted]	844.0	844.5	-0.1	[redacted]	121290	[redacted]
87	Capital [redacted] Inc	9515.9	474	74	[redacted]	5382.0	-0.7	665.9	662.2	3.6	8.0	[redacted]	[redacted]
88	Norfolk [redacted] Corp	9506.1	304	78	4662.2	4500.6	3.6	875.3	143.6	509.5	9.5	30505	31/12/92
[redacted]	Paramount [redacted] Inc	9352.3	461	79	4264.9	3895.4	[redacted]	397.3	179.7	121.1	5.6	[redacted]	[redacted]
90	Fed Home Loan Mtg [redacted]	9125.9	121		N/R	N/R	0.0	901.0	800.0	12.6	3.1		31/12/92
91	Heinz (H.J.) Co	9009.3	451	65	7103.4	6581.9	7.9	715.8	[redacted]	-27.3	15.9	[redacted]	[redacted]
92	Warner-Lambert [redacted]	[redacted]	431	72	5597.6	5059.0	10.6	[redacted]	221.5	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	Tenneco Inc	8919.4	591	33	13139.0	13662.0	[redacted]	-607.0	-683.0	-11.1		79000	[redacted]2/92
94	Duke Power [redacted]	8885.8	221	81	3969.7	3825.8	3.8	611.4	679.8	-7.8	6.2	[redacted]	[redacted]
95	Phillips Petroleum Co	[redacted]	214	38	11933.0	12604.0	-5.3	511.0	451.0	13.3	[redacted]	[redacted]	[redacted]
[redacted]	Oracle [redacted] Corp	8741.5	482	86	1502.8	1178.5	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
97	Public Service Entreprises	[redacted]	221	73	5356.8	5091.7	[redacted]	806.3	[redacted]	-4.7	[redacted]	13120	31/12/92
98	Martin Marietta Corp	8488.8	521	69	[redacted]	6075.4	-2.0	512.4	[redacted]	[redacted]	14.3	55700	31/12/92
[redacted]	Consolidated Edison of NY	8452.2	221	70	5932.9	5873.0	1.0	924.6	858.0	[redacted]	6.7	[redacted]	31/12/92
100	Raytheon [redacted]	[redacted]	521	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	5.9	16.4	63900	31/12/92

The Walt Disney company is 33rd in the US

[redacted] is fifth in [redacted] US rankings

H.J. Heinz [redacted] into [redacted] US list at number [redacted]

■ NORDIC REGION

Devaluation helps Swedes and Finns

Recession continued to dog the region but stock markets rose sharply as interest rates fell and signs of recovery began to show, writes Hugh Carnegy

After a dismal, recession-driven slump in the rankings in 1992, Nordic companies have rebounded significantly this year.

[redacted] new [redacted] entries – [redacted] re-entries – outweighed five departures (two of which were due [redacted]), compared with [redacted] net loss [redacted] 11. The [redacted] took the [redacted] of Swedish, Danish, Finnish and Norwegian companies [redacted] list [redacted]

Nordic companies [redacted] their [redacted]ence felt [redacted] more eye-catching [redacted]formers. [redacted] Enskilda Banken, [redacted] leading commercial bank, vaulted [redacted] a [redacted] col[redacted] to [redacted] top 500 [redacted] Its rival [redacted] topped the list of [redacted] FT500 companies by surging [redacted] to [redacted]

Astra, [redacted] Swedish pharmaceutical group, held its 1992 ranking of 32, the highest of any Nordic company. It also ranked as Europe's [redacted] profitable [redacted] with a [redacted] return on capital.

Another prominent [redacted] to the FT500 was Nokia, the Finnish telecommunications [redacted] a [redacted] growth in its mobile telephone division. It came in [redacted] number [redacted]. Meanwhile, Norsk Hydro, the petroleum [redacted] group [redacted] Norway's [redacted] stock-listed [redacted], registered Europe's biggest increase in profits, showing a [redacted] no less [redacted] 7,715 per cent.

[redacted] continued [redacted] dog the [redacted] region [redacted] 1993 – especially in [redacted] Finland. [redacted] stock markets in [redacted] four countries rose sharply as interest [redacted] fell and signs of recovery began to show in the [redacted] part of [redacted]. In Sweden and [redacted] companies [redacted] greatly [redacted] the [redacted] devaluations [redacted] and Finnish markka [redacted] the year, which [redacted] profitability.

Finland's representation [redacted] FT500 was quadrupled to eight from 1992, reflecting a near doubling of values on the Helsinki [redacted] exchange [redacted] year.

The top Finnish [redacted] forestry [redacted] engineering [redacted] Repola, improved from 387th place [redacted] 255th. Finnish newcomers, apart from Nokia, were forestry groups Enso-Gutzeit [redacted] Metsa-Serla, respectively at 387 [redacted] 471; Outokumpu, [redacted] mining company, [redacted] the banks [redacted] in [redacted] while [redacted] edges in [redacted]

Six [redacted] companies [redacted] improved [redacted] positions. The main reverse was Carlsberg, the brewer, which was toppled [redacted] Danish top spot as it [redacted] place overall [redacted] overtaken by A.P. Moller, the shipping group, whose joint parent companies, D/S Svendborg and D/S af 1912, moved up to 148 and 149 on the overall list respectively.

Closer inspection of [redacted] rankings, how[redacted], reveals [redacted] performance [redacted] be well [redacted] bottom-line performance. [redacted] European companies showing [redacted] swings [redacted] profit [redacted] loss [redacted] Swedish, Finnish or Danish.

[redacted] companies. [redacted] region's [redacted] strongly in 1993, as banks [redacted] the first steps back to health after crippling loan losses in 1992. But they are still carrying the [redacted] of [redacted] losses: Unitas [redacted] Europe's 12th [redacted] swing [redacted] loss [redacted] profit – [redacted]. Others [redacted] list of crashing profits were [redacted] insurers Trygg-Hansa SPP [redacted] Skandia, S-E Banken, [redacted] Bank and Unidanmark.

Traditional [redacted] industrial power[redacted] put up [redacted] showing, [redacted] industrial departures [redacted] – Trelleborg, [redacted]

mining and metals group; Industrivarden, a mixed investment group; and Korsnas, a pulp and paper company taken over by Kinnevik – balanced [redacted] entries S-E Banken, Skandia and Trygg-[redacted], to leave Sweden's total representation [redacted] 21. Of these, only [redacted] improved [redacted] rankings.

Volvo's [redacted] – which [redacted] heavy [redacted] and [redacted] agreement to [redacted] Renault, [redacted] resurgent profits and [redacted] controversial breaking [redacted] deal – left it [redacted] slightly in [redacted] rankings, from [redacted] place [redacted]

■ Leading Nordic countries by market capitalisation

	Company	Cntry	$m	FT500 Rank	[redacted]
1	Astra	Swe	12595.0	32	433
2	[redacted] LM	Swe	11831.6	37	533
3	Procordia	Swe	6797[redacted]	82	433
4	[redacted] Hydro	Nor	5691.2	104	214
5	Asea	Swe	5595.7	47	541
6	Volvo	[redacted]	4190.0	[redacted]	401
[redacted]	Sandvik	Swe	3958.9	1[redacted]	562
[redacted]	A/S D/S Svendborg	Den	3911.5	1[redacted]	303
9	[redacted] 1912	Den	3884.8	149	303
10	Den Danske Bank	Den	3068.2	186	112
11	Svenska Cellulosa	Swe	3028.1	188	651
12	Skandinaviska Enskilda Banken	Swe	2884.3	199	112
13	Novo Nordisk	Den	2806.6	203	433
14	Stora	Swe	2579.9	221	651
15	[redacted] Handelsbanken	Swe	[redacted]	223	112
16	AGA	Swe	2518.1	225	621
17	Carlsberg	Den	2438.5	229	421
[redacted]	Sydkraft	Swe	2366.5	238	[redacted]
19	[redacted]	[redacted]	[redacted]	252	613
[redacted]	Electrolux	Swe	2227.9	253	402
[redacted]	Inves[redacted]	Swe	2212.9	254	131
[redacted]	Repola	Fin	2200.4	255	[redacted]
23	Incentive	Swe	1893.5	285	541
[redacted]	[redacted] Nycomed	Nor	1808.3	300	591
25	[redacted]	Fin	1806.7	301	533
26	[redacted] (Sophus)	Den	1723.0	314	481

■ BENELUX COUNTRIES

Mergers help give a lift to the Dutch

While most Belgian companies have slipped this year, corporate life in the Netherlands has improved. Andrew Hill and Ronald van de Krol report


Rising fortunes: a doubling in the share price saw Philips jump to 86th place

The diverging fortunes of Belgian and Dutch corporate life are obvious from the FT500.

[illegible] the 18 Belgian companies in the [illegible] only two – Bekaert, the steel and wire cord group, and Kredietbank, one of the big three Belgian banks – have improved their ranking since last year, and that only marginally. Three Belgian companies are among the 25 companies to fall the furthest, and two more have [illegible] the list altogether.

By contrast, leaving aside the largest Anglo-Dutch companies, the Dutch list includes two new entries and three more companies which have shown strong improvements in their position.

That partly reflects the influence of recent mergers on the Dutch business world. The two new entries, [illegible] Wessanen, the food-to-beverages group ranked 208th, and [illegible] BT, the paper and packaging company which is listed in 365th place, [illegible] the products of far-reaching domestic tie-ups concluded in the [illegible] of 1993.

These latest [illegible] confirm [illegible] trend that has been apparent since the early 1990s. For all the excitement about the single market and the need [illegible] cross-border expansion, Dutch companies have tended to [illegible] for merger partners in their own backyard first, partly as [illegible] means of defence and partly as a way [illegible] increasing their scope for international acquisitions.

The two highest-ranked Dutch companies in the FT 500 listing – Internationale Nederlanden Group (ING), the financial services group, and ABN Amro, the Netherlands' largest bank – did not even exist before 1990. Both were created in that [illegible] as part of the swiftest consolidation to sweep Dutch finance since the 1960s.

Having secured their domestic base, both ING and ABN Amro [illegible] looking intently [illegible] acquisitions in Europe. So far, however, their European ambitions have been hampered by the high price commanded by the region's banks and insurers.

ING's climb to 49th place from 60th in 1992 is a reflection [illegible] the re-rating of the company's shares. When it [illegible] first [illegible]ated in 1990, Europe's first full-fledged "bancassurance" company, spanning both insurance and banking, caused confusion among investors who did not know whether to value the group as a bank or [illegible] insurance company. [illegible] a result, ING's shares tended to underperform the Netherlands' financial sector.

In 1993, however, ING's [illegible] put in [illegible] strong performance, rising from around Fl 52 ($27) in mid-December 1992 to around Fl 90 in December 1993.

Another big beneficiary of share-price gains is Philips, the electronics [illegible] which rose to 86th from 101th place, due mainly to a doubling in its share price over the 12 months to December. This, in turn, was caused by enthusiasm for the company's renewed [illegible] to sell off unprofitable assets rather than any significant recovery in its underlying business, which remains hampered by the worldwide malaise in consumer electronics.

The Belgian stock market has [illegible] record levels in 1993, but the problem is that it has still underperformed most other European exchanges. [illegible] a result, most Belgian stocks have slipped down the [illegible]

Ironically, they include companies in the banking and retailing [illegible] which [illegible] to represent particularly strong [illegible] investments a [illegible]

With the exception of Kredietbank, [illegible]gium's big [illegible] – [illegible] Banque [illegible] Banque Bruxelles Lambert – have both lost ground. BBL, in particular, has had to work hard in [illegible] to [illegible] provisions against bad loans, [illegible] in [illegible] profits, and [illegible] break-up of 1992 talks with ING, the Dutch financial [illegible]vices [illegible] a possible [illegible]

Indeed, [illegible] the past two years, there has been [illegible] dearth [illegible] large takeovers in Belgium. As a result, the stock market has been prey to unsustained speculative [illegible] rumours [illegible] restructuring by the country's main holding companies.

During [illegible] perhaps the most exciting deal was [illegible] September [illegible] of a [illegible] cent [illegible] in CBR, the [illegible] ranked [illegible] in [illegible] FT500, by [illegible]érale de Belgique, [illegible] holding [illegible] ranked 127th, [illegible] Heidelberger Zement, Germany's largest producer [illegible] building [illegible]rials. Fortis, [illegible] Dutch-Belgian financial services [illegible] (ranked 116), [illegible] pleted [illegible] important [illegible] it bought 50 [illegible] of CGER-ASLK, [illegible] network of Belgian savings banks, in [illegible] stage of the Belgian government's privatisation programme.

In retailing, the change against 1992 [illegible] dramatic than in the banking sector. GIB Group slipped from [illegible] 437th, while Delhaize – which [illegible] one of [illegible] top [illegible] in [illegible] – [illegible] from 176th [illegible] 327th. Along with Cobepa, [illegible] small Belgian holding company, both [illegible]panies make the list of the 25 European companies [illegible] during [illegible]

Delhaize has had [illegible] particularly tough year. In the [illegible] half, [illegible] consolidated net profits fell by [illegible] than [illegible] per cent. It has been hit by recession, falling [illegible] prices and industrial disputes in Belgium; and by [illegible] of bad publicity in the US, which caused a drop in business and a slump in the share price. [illegible] has blamed [illegible] concerted [illegible] campaign by disgruntled US unions.

If there is [illegible] story in [illegible]gian list, it is probably Bekaert. The wire [illegible] steel cord manufacturer edged up from [illegible] to [illegible] in [illegible] FT500, which does not [illegible] spectacular. However, Bekaert also achieved the third largest profit increase [illegible] European companies. That represented a recovery from [illegible] in 1991, [illegible] the just reward [illegible] restructuring, achieved in spite [illegible] the recession.

■ Leading Benelux companies by market capitalisation

	Company	Cntry	$m	FT500 [illegible]	[illegible]
1	Royal Dutch [illegible] Co*	[illegible]	[illegible]	1	[illegible]
2	Unilever NV*	[illegible]	[illegible]	[illegible]	451
3	Internationale [illegible] Gp	[illegible]	[illegible]	[illegible]	121
4	ABN Amro Holding	Net	9706.7	57	112
5	Electrabel	Bel	[illegible]	[illegible]	[illegible]
[illegible]	Philips [illegible]	Net	6429.8	86	541
[illegible]	Petrofina	Bel	6077.4	91	[illegible]
[illegible]	Elsevier*	Net	5456.4	41	[illegible]
9	Aegon	Net	4780.7	[illegible]	151
10	Societe Generale [illegible] Belgique	Bel	4572.4	127	171
11	Akzo	Net	4329.7	133	622
12	Rodamco	Net	[illegible]	135	161
13	Heineken	Net	3983.4	143	421
14	[illegible] Banque	Bel	3513.7	158	112
15	Tractebel	Bel	3507.3	159	221
16	Wolters Kluwer	Net	3403.5	[illegible]	472
17	Minorco	Lux	3180.2	[illegible]	[illegible]
[illegible]	Kredietbank	Bel	3098.6	185	112
19	Solvay	Bel	[illegible]	197	622
20	Amev*	Net	2849.8	[illegible]	151

*Market capitalisation on the Amsterdam Stock Exchange only

■ EASTERN EUROPE

Edging towards a place in the top 500

Already the Czech republic has two companies ripe for inclusion among Europe's giants. Meanwhile, mass privatisation should take off in Poland this year, writes Anthony Robinson

A combination [illegible] privatisation [illegible] unprecedented scale and the stock market surges which spread from Warsaw [illegible] Prague and Budapest in the second half [illegible] last year has brought [illegible] the fore [illegible] growing number of private central European companies ripe for inclusion in the FT500.

Already the Czech republic boasts two companies whose market capitalisation at the end of the [illegible] exceeded that of the $921m recorded by the Finnish company at the bottom [illegible] the FT500. What is more, the $2.7bn capitalisation of CEZ, the electrical utility company which heads the Czech list, equals the total year-end market capitalisation of the [illegible] stocks quoted [illegible] the Warsaw stock exchange. Total Polish capitalisation reached $2.7bn after a hectic year in which Polish-quoted share prices rose on [illegible] by [illegible] per cent.

Both Prague and Warsaw outclassed the Budapest stock exchange where the market capitalisation of the [illegible] quoted shares ended the year [illegible] after a late rally which boosted the Budapest index by 50 per cent [illegible] the last few weeks but still left shares languishing in real [illegible] below their values of two [illegible]

Pre-war Czechoslovakia [illegible] one of the most developed industrial [illegible] in the world. It lost competitiveness and was diverted into inappropriate [illegible] and raw material consuming heavy industry under [illegible] domination. But the innate strengths of the [illegible] and the underlying resources [illegible] a skilled labour force [illegible] once again coming to [illegible] surface under the single-mindedly pro-market and pro-privatisation policies [illegible] the government led by Mr Vaclav Klaus.

The Czechs pioneered mass privatisation, with [illegible] than 1,300 enterprises privatised in the first round of privatisation through vouchers and over 800 enterprises about to be privatised under the [illegible] round.

More than 70 [illegible] cent [illegible] the [illegible] Czech citizens who paid around [illegible] for vouchers permitting them to buy shares in the 1,300 companies with a book value vastly in excess of the vouchers, deposited them with the private investment funds which [illegible] up [illegible] the deluge of new shares and [illegible] shareholders.

In [illegible] most voucher holders have become shareholders in the funds who actually [illegible] the shares, buying [illegible] the [illegible] exchange and building [illegible] controlling packets of shares where possible.

[illegible] glance at the top [illegible] shares quoted on the Prague [illegible] exchange is instructive. [illegible] comes Ceska Sporitelna, the Czech savings bank, capitalised [illegible] $1.06bn, which is followed by [illegible] biggest [illegible]cial bank, Komercni [illegible] $900m. The [illegible] banks are all in [illegible] throes of bad-[illegible] write-offs [illegible] capital re-financing to fit them [illegible] their future role as financiers of the emerging [illegible] medium private business sector.

The two biggest quoted companies after CEZ and [illegible] banks are both majority-controlled by foreign investors. Tabak, the former state tobacco monopoly bought by Philip Morris, [illegible] capitalised at [illegible] while Cokoladovny, controlled by Nestlé, pitches in at $648m. Way [illegible] in sixth place [illegible] the country's largest engineering group, [illegible] Pilzen, which is capitalised [illegible] $320m. [illegible] Automobilovna, [illegible] motor [illegible] which [illegible] largest and probably [illegible] known [illegible] company, [illegible] in [illegible] becoming controlled [illegible] by Volkswagen, [illegible] the [illegible] retaining the remaining shares, [illegible] it [illegible] not [illegible] quoted [illegible]

[illegible] relatively slow, case by [illegible] priva[illegible] approach decided [illegible] by [illegible] Hungarian authorities, [illegible] the emphasis [illegible] trade sales to foreign investors, has paid off [illegible] extent that Hungary [illegible] attracted [illegible] bulk of [illegible] than $5.5bn invested [illegible] central [illegible] eastern Europe [illegible] the past three years. [illegible] reluc[illegible] embrace [illegible] privatisation is [illegible] in [illegible] relative smallness of the Budapest stock exchange with only 28 shares quoted, [illegible] which the most sought after [illegible] those of Fotex, the photographic and luxury goods company. Last year, turnover [illegible] shares [illegible] 18.26bn forints [illegible] only [illegible] cent of total stock exchange turnover which [illegible] dominated by trading in government bonds and treasury bills.

In Poland the biggest company by mar-

Continued on next [illegible]

■ RETAILING

Shopkeepers suffer a fall in fortunes

Europe's leading companies now face a challenge from US warehouse operators, reports **Neil Buckley**

On the evidence of the FT500, Britain really does appear to be a nation of shopkeepers.

Of the 37 retailers in the table, 17 are British, and UK companies fill seven of the top 10 positions in the retail list. Next comes France with nine, Germany with six, Belgium with two, and Spain, Italy and the Netherlands with one each.

That gives a slightly misleading impression of the UK's retailing strength. The reason is that several of Europe's biggest retailers, such as Germany's Tengelmann and Metro, are private companies or co-operatives, and so do not appear in the list.

Based on turnover rather than market capitalisation, nine of the top 10 European companies are German or French, with only one UK company – J. Sainsbury – sneaking into the table.

But the FT500 does accurately reflect the less than sparkling fortunes of many of Europe's top retailers last year, thanks to continuing recession and slow growth in consumer consumption. Some 20 of the 37 have gone down, while only 13 have gone up. The UK's Marks and Spencer, still the highest-placed retailer in the 500, is unchanged at 22.

There are, however, three new entries. Highest, at 303, is Pinault-Printemps, the group formed in December 1992 by the merger of France's Pinault and Au Printemps.

The UK fashion retailer Next, one of the most successful retailers of the 1980s, has re-entered the list at 445. After over-expanding and over-borrowing by the end of the decade, it is now staging a recovery, having closed some stores and cut costs, and announced in September an almost three-fold increase in interim pre-tax profits to £23m.

The third new entrant, at 458, is La Rinascente, Italy's biggest retailer, and one of the few big players in one of Europe's least-developed retail markets.

It has spent L300bn a year for the past four years on expansion, and turnover in its supermarkets and hypermarkets has more than doubled, while sales in its DIY chain have more than trebled.

But the main feature of the retailing list is the number of fallers. Five of the 25 biggest fallers in the FT500 are retailers.

It is perhaps not surprising that two are UK food retailers. The food retailing sector underperformed the UK stock market by more than 30 per cent in 1993, amid fears that the creeping saturation of the superstore market, the rapid growth of discount retailers – several of them recent entrants from continental Europe such as Germany's Aldi, Denmark's Netto and France's Ed – and the resulting upsurge in price competition, meant the biggest players' profits growth was under threat.

It is perhaps more surprising that the two chains should be Kwik Save, the UK's leading discounter, and Wm Morrison Supermarkets, the regional superstore chain voted the UK's top performing company by the Institute of Directors in 1992.

Ironically, Kwik Save remains one of the most profitable companies in Europe on a return on capital employed basis, achieving 44.4 per cent. But the retailer's share price has been hit by fears that it may be squeezed between the new generation of discounters and the more price-aggressive superstores, while Morrison's shares declined after disappointing results in September and a warning that pressure on its margins meant profits were unlikely to rise in line with sales over the next year.

The UK's three biggest food retailers were all affected. J. Sainsbury fell from 26 to 39, Tesco from 68 to 95, and Argyll from 78 to 114. Other large fallers include Belgium's two biggest retailers, Delhaize and GIB. The latter, which fell from 176 to 327, has suffered from the malaise affecting the Belgian retail sector. That resulted from a significant slowdown in the growth of private consumption in 1993, due to higher taxes on income, energy and stock exchange transactions.

The biggest factor in the decline of Delhaize, from 300 to 437, is probably the performance of US subsidiary Food Lion, which accounts for 64 per cent of group earnings. Sales were affected by a highly negative US television documentary, which centred on the problems of food handling and sanitation in the meat area of Food Lion stores. In another recent setback, Food Lion had to pay $16.2m to the US Department of Labor for violating federal overtime and child labour laws.

In addition to its fallers, however, the UK provides the only two retailers in the top 25 biggest risers: Burton, the country's second-largest clothing retailing group, and Asda, the fourth-biggest grocery superstore chain. Both – like fashion retailer Next – are leading retailers of the 1980s which lost their way at the end of the decade through over-expanding and over-borrowing and are now staging a recovery.

Another big riser was France's Castorama Dubois – a newcomer to the FT500 last year.

The outlook for European retailers remains tough, however. With powerful discount formats such as warehouse club operator Costco now crossing the Atlantic, and several others likely to follow, European groups may face a significant challenge in their home markets just as they start to pull out of recession.

■ **Leading retailers by market capitalisation**

	Company	$m	Rank	Sector
1	Marks and Spencer	16360.8	22	491
2	Sainsbury J	11694.0	39	493
3	Great Universal Stores	8482.0	67	493
4	Carrefour	7696.7	75	493
5	Boots Company	7601.3	78	492
6	Kingfisher	6583.8	84	491
7	Tesco	5906.5	95	493
8	Argyll Group	5035.4	114	493
9	Karstadt	2840.8	200	491
10	Promodes	2828.6	201	491
11	Sears	2575.9	222	492
12	Asda Group	2553.2	224	493
13	Ahold	2434.2	230	493
14	Kaufhof	2345.2	240	491
15	Centros Comerciales Pryca	2087.4	264	493
16	Redoute (La)	1950.2	279	491
17	Smith (W.H.) Group	1825.9	297	495
18	Pinault-Printemps	1798.1	303	491
19	Delhaize	1653.0	327	492
20	Asko Deutsche Kaufhaus	1647.7	329	491
21	Casino	1646.9	330	493

ENGINEERING

Good news in rather short supply

Conditions in many western markets remained weak, and 17 of the 26 companies slipped down the rankings and six managed to rise, writes **Andrew Baxter**

After a year of unprecedented recession for many continental European engineering companies, good news from the FT 500 rankings is, not surprisingly, in rather short supply.

Mechanical engineering companies in particular have had a tough time, with demand in Germany falling through 1993 and showing only a few small signs yet of "bottoming out". Overall, demand for engineering products has recovered in the UK, but the upturn lacks conviction.

Using a reasonably broad definition, there are 26 engineering companies in the FT 500. Apart from the 15 classed as engineering companies, it makes sense to add companies such as Siemens, General Electric Company, BTR and Alcatel Alsthom, which have big engineering interests, and companies such as Asea Brown Boveri and Electrolux, respectively Europe's largest electrical engineering group and white goods group.

On this basis, 17 of the 26 companies slipped down the rankings and six managed to rise. There were two new entrants, Schindler, the Swiss lifts and escalators producer, and FKI, the UK electrical engineering concern.

Significantly perhaps, four of the six companies that improved their position were British-based – BTR, GEC, Siebe and Lucas Industries. This partially reflects their relatively stronger home markets, but also the fact that their commitment to cutting costs, raising productivity and profits is more long-established than is the case with many continental companies.

However, the relatively small declines in the rankings for many of the FT 500 companies is a testament to the importance now attached to drastic internal improvements aimed at enhancing their resilience against market downturns.

ABB, which slipped from 40th to 47th, is a case in point. In November, the Swiss/Swedish group announced a 13 per cent increase in operating earnings after depreciation for the first nine months of 1993 – to $1.42bn from $1.26bn. Adjusted for exchange rate fluctuations and expressed in local currencies, the rise is even more impressive at 27 per cent.

Yet conditions in many western markets remained weak, especially in continental Europe, said ABB. The result illustrates the productivity gains achieved by ABB while large parts of the industrialised world have remained in a prolonged recession. Restructuring is being accelerated to reduce break-even points further.

Perhaps the most surprising performance in the FT 500 rankings was that of Mannesmann, the German industrial, engineering and telecommunications group which has risen from 96th to 89th place. In August, the Düsseldorf-based company reported a plunge into losses of DM467m in the first half of 1993, down from a profit of DM15m in the first half of 1992.

The group said it expects to make a substantial loss for all of 1993. Significantly, though, this reflects the costs of a one-off restructuring, which should lead to a large reduction in the group's break-even level. So Mannesmann expects a substantial improvement in the group's results for 1994 even if the economy continues to weaken – helping to explain the group's good performance in the rankings.

Even so, Mannesmann's return on capital employed, based on 1992 figures, is low enough at 3.1 per cent to put it at 13th in the FT 500 list of 25 least profitable companies, so there is room for improvement.

■ **Engineering companies by market capitalisation**

	Company	$m	Rank	Sector
1	Siemens	22650.0	10	541
2	BTR	19133.3	16	591
3	General Electric Company	14796.3	16	591
4	Alcatel-Alsthom	18494.8	18	533
5	ABB Asea Brown Boveri	10987.7	47	541
6	Mannesmann	6092.9	89	566
7	Sandvik	3958.9	145	562
8	Linde	3357.8	169	586
9	Siebe	3172.4	180	591
10	TI Group	2412.8	232	566
11	Electrolux	2227.9	253	402
12	Man	2137.0	261	566
13	Incentive	1893.5	285	541
14	GKN	1844.2	292	571
15	Legrand	1784.4	306	541
16	Atlas Copco	1694.6	317	566
17	SKF	1649.4	328	566
18	Smiths Industries	1646.0	331	566
19	Sulzer	1616.3	334	563
20	Lucas Industries	1609.9	336	571
21	Electrowatt	1597.8	338	561
22	Kvaerner	1521.9	355	592
23	Schindler	1212.9	425	566
24	Delta	1210.2	428	563
25	FKI	1062.6	459	563
26	Glynwed International	970.9	486	566

Fortunately Mannesmann is the only engineering group on this list, but SKF, the Swedish roller bearings producer, appears in 23rd place on the list for largest swings to losses. In fact, it suffered a much heavier loss in 1992 but there are now signs of an improvement in outlook – not soon enough, however, to prevent the company dropping from 278th to 328th.

Only Lucas Industries of the UK manages to creep in at 12th in the list of largest increases in profit. Lucas, which recently ended a long search for a new chief executive by appointing Rover Group executive George Simpson, continued to benefit in 1993 from the extensive restructuring announced a year earlier. Cost-cutting enabled pre-tax profits to rise from £22.5m to £50.3m in the year ended July 31, and the company's FT ranking has improved from 385th in 1992 to 336th.

The new entrants have arrived via different routes. Schindler has rebuilt its position in the world escalator market over the past five years, while FKI has set out on a strategy of boosting profitability and achieved considerable success so far.

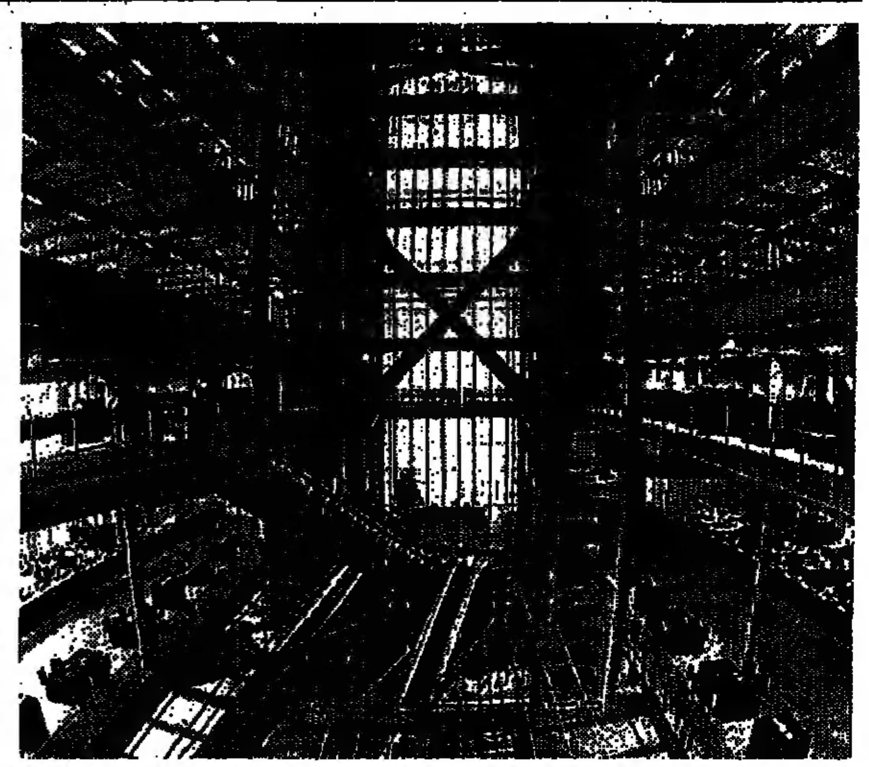
The departures were Glasgow-based Weir Group, the well-regarded pump manufacturer which was ranked at 488th in 1992, and Trelleborg (466th in 1992), the Swedish mining and industrial group.

SECTOR ANALYSES

■ BANKING

Exit from ERM spurs success

John Gapper reports on a sector that last year did particularly well, especially in the United Kingdom and Switzerland



HSBC's roots in the booming Asia Pacific market made it the 23rd most profitable company

It may not have been much of a year in many industries but the FT500 shows how good it was for banks. The precipitous rise in share prices of Swiss and UK banks propelled them sharply up the rankings, while British investment banks rose even faster on the back of near-perfect trading conditions.

The banks' success was a bad advertisement for the European Union. Not only did the market capitalisation of UK banks rise following Britain's exit from the exchange rate mechanism, but the universal banks that trade in foreign exchange gained from currency turmoil amid speculation against the ERM.

The newest European bank also emerged as the most valuable. HSBC Holdings, the bank holding company formed by Hongkong and Shanghai Bank to coincide with its takeover of Midland Bank, rose to eighth place. Its roots in the booming Asia Pacific market made it the 23rd most profitable company.

The big three Swiss banks consolidated their position in the sector. They were no longer held back by their very strong capital and weak profits from domestic retail banking. Instead, their strength helped their securities trading, and attracted risk management business from derivatives.

This gave each of the big three a big push up the rankings. Union Bank of Switzerland rose 10 places to 15th, and Swiss Bank Corporation rose to 38th from 62nd. CS Holding rose to 36th from 68th after taking over Swiss Volksbank, which left the FT500 from its 494th ranking last year.

Yet the success of UK banks showed it was not necessary to have impressive earnings to rise in value. British banks such as Barclays and National Westminster rose because of future promise rather than achievement. Shares rose as investors discounted recovery several years into the future.

Barclays was the best example of the emergence of UK banks as recovery stocks after the bad debt problems of the 1980s. Although it had the dubious achievement of being the third least profitable company by losing $369.1m, it rose 13 places to 31st place measured by market capitalisation.

Other UK banks which rose significantly in the rankings because of the rerating of UK bank shares on expectations of recovery included Royal Bank of Scotland, up from 216th place to 144th, and TSB Group, up to 112th place from 145th after returning to profitability.

The sharpest rise in the rankings by a British bank came from another bank with roots in the Asia Pacific. Standard Chartered, which for years has been seen as an accident-prone and inadequately managed bank, rose 94 places to 165th place on the back of a startling share performance.

The other commercial banking market which achieved a good result was Spain. Spanish retail banks were helped by high net interest margins, and recovery from bad debt. The two highest ranked were Banco Bilbao Vizcaya which rose from 98th to 92nd, and Banco de Santander, which rose 24 places to 101st.

Ironically, the sharpest Spanish rise came from Banesto, a retail banking recovery story that went wrong. Its share price rise after J.P. Morgan, the US bank, masterminded a capital restructuring, pushed it from 343rd to 184th place. Nevertheless, excessive loan growth forced the Bank of Spain to rescue Banesto late last year. Meanwhile, Banco Popular, the most profitable Spanish bank, moved up gently from 183rd to 160th.

German banks fell in the rankings, in spite of the strength of the D-Mark, on emerging problems of loan provisions in the deteriorating economy. Deutsche Bank dropped from 10th to 12th place, Bayerische Vereinsbank from 90th to 94th, and Commerzbank from 99th to 105th.

The strongest individual performance by a bank came from Svenska Handelsbanken, the only leading bank in Sweden, Norway and Finland which did not need state assistance to escape the banking crisis. Its sharp turnaround into profit catapulted it 243 places up the rankings to 223rd.

However, the boost in fortunes for financial services firms was not confined to banks. The exceptional trading conditions for bonds and equities, and the sharp rise in European and Asian stock markets helped both investment banks and their asset management arms to rise briskly in the FT500.

One of the newest entries to the FTSE-100 index also rose sharply in the FT500. Schroders, the UK investment bank, was among the biggest gainers this year, rising 101 places to 228 on strong profits. The achievement reflected a wider rerating of merchant and investment banking shares in the UK.

Another strong gain came from S.G. Warburg, the UK investment bank, which rose 36 places to 220th as its shares gained from pan-European strength. Warburg was pushed up by the rise of Mercury Asset Management, the fund manager of which it owns 75 per cent, to 296th place (up 125).

Among investment banks which entered the FT 500 amid strong trading conditions were Hambros, the UK investment bank, and Baer Holdings, the Swiss private bank and fund management company. A question for next year will be whether they can sustain their position despite earnings volatility.

However, in spite of doubts over whether next year can be as good for banks, it is clear that 1993 proved an exceptional year in at least some European markets. Whether the recovery will be matched in other markets as asset quality problems subside will be seen in next year's index.

■ **Top 10 Polish companies by market capitalisation***

1.	Wedel (confectionary)	(5.99bn zlotys)	$304m
2.	Elektrim (power and telecommunications equipment trader)	(4.22bn zlotys)	$214m
3.	Wielkopolski Bank Kredytowy (bank)	(3.45bn zlotys)	$175m
4.	Bank Inicjatyw Gospodarczych (bank)	(2.10bn zlotys)	$106m
5.	Polifarb Cieszyn (paints)	(1.94bn zlotys)	$98m
6.	Bank Rozwoju Exportu (bank)	(1.88bn zlotys)	$95m
7.	Okocim (brewery)	(1.82bn zlotys)	$92m
8.	Zywiec (brewery)	(1.80bn zlotys)	$91m
9.	Mostostal Exp (construction)	(1.28bn zlotys)	$65m
10.	Vistula	(1.04bn zlotys)	$52m

*On September 30, 1993 (exchange rate on the day US$=19,735 zlotys)

ket capitalisation is Wedel, the chocolatemaker now controlled by Pepsico as part of its ambitious foray, in competition with Coca Cola, into the biggest market of the region. Poland has 39m people compared to just over 10m each in Hungary and the Czech republic, 5m in Slovakia and under 2m in Slovenia whose own fledgling stock exchange is tipped to come alive in 1994 as the well-run economy picks up.

Wedel, capitalised at $304m as of end-September, is followed on the Warsaw stock exchange, housed in the former offices of the Communist party central committee building, by Elektrim, the former state power and telecommunications equipment trading company at $214m. Fast expanding Elektrim is among several quoted companies planning to tap the market this year by raising fresh equity, in Elektrim's case by partially floating off several of its subsidiary companies.

Mass privatisation should take off in Poland this year as the new left of centre government carries on the previous government's plan to privatise up to 500 state-controlled enterprises and create 20-30 so-called "National Investment Funds" with foreign and Polish managers to perform the vital functions of modernising, slimming down, restructuring and eventually re-financing their companies.

This process is expected to greatly expand the stock exchange listings over the rest of this decade. The new government is so keen to raise revenue by successful privatisation that it appears unlikely to impose new taxes on capital gains or tax share transactions as demanded by some of its more orthodox left-wing supporters.

The recent successful stock market debut of the first two privatised banks, the Wielkopolski and Slaski banks, has already expended the number of shareholders in Poland to more than 200,000, and last year's boom has whetted the appetite of many more potential investors in a country where real incomes, and savings, are rising after 4 per cent GDP growth last year.

■ **Leading banks by market capitalisation**

Rank	Company	$m	Rank	Sector
1	HSBC Holdings	27351.9	8	112
2	Deutsche Bank	22586.3	12	112
3	Union Bank of Switzerland	20321.2	15	112
4	National Westminster Bank	12787.6	30	112
5	Barclays	12749.7	31	112
6	CS Holding	11873.9	36	112
7	Swiss Bank Corporation	11782.0	38	112
8	Lloyds Bank	11283.5	44	112
9	Internationale Nederlanden Group	10591.0	49	121
10	Dresdner Bank	10565.8	50	112
11	ABN Amro Holding	9706.7	57	112
12	Suez (Compagnie Financiere de)	9099.4	62	112
13	Societe Generale	8984.2	64	112
14	Abbey National	8218.6	69	112
15	Paribas	7790.5	73	112
16	Banco Bilbao Vizcaya	6060.3	92	112
17	Bayerische Vereinsbank	6041.7	94	112
18	Bayerische Hypo. & Wechsel Bk	5888.1	97	112
19	Banco de Santander	5721.9	101	112
20	Commerzbank	5500.4	105	112
21	Argentaria	5248.8	107	112
22	TSB Group	5089.1	112	112
23	Banco Central Hispanoamericano	5038.5	113	112
24	Bank Austria	4669.9	124	112
25	Royal Bank of Scotland Group	3960.3	144	112
26	Generale de Banque	3513.7	158	112
27	Banco Popular Espanol	3497.7	160	112
28	Standard Chartered	3428.4	165	112
29	Mediobanca	3361.4	168	121
30	Banco Exterior	3321.2	171	112
31	Banesto Group	3139.8	184	112
32	Kredietbank	3098.6	185	112
33	Den Danske Bank	3068.2	186	112
34	Bank of Scotland	2955.6	192	112
35	Skandinaviska Enskilda Banken	2884.3	199	112
36	Creditanstalt-Bankverein	2790.7	206	112
37	Credit Local de France	2743.5	209	122
38	Cetelem	2696.2	210	112
39	Credit Comm de France	2635.0	215	112
40	Allied Irish Banks	2627.9	217	112
41	Banca Commerciale Italiana	2604.7	219	112
42	Warburg S.G. Group	2600.3	220	121
43	Svenska Handelsbanken	2558.7	223	112
44	Schroders	2451.4	228	121
45	Berliner Bank	2256.3	248	112
46	Credito Italiano	2184.3	256	112
47	BHF Bank	2099.8	263	112
48	Credit Foncier de France	2077.6	265	121
49	Bancaire (Compagnie)	2076.4	266	121
50	Banque Bruxelles Lambert	2053.3	267	112
51	Mercury Asset Management	1828.2	296	122
52	Bank of Ireland	1809.2	299	112
53	IFINT	1796.3	304	121
54	Lou Holding	1534.4	354	112

Mergers help give a lift to the Dutch

Andrew Hill and Ronald van de Krol report

INSURANCE

Revived fortunes lure investors

European insurance company shares rose by 57 per cent in the 12 months to November 1993, outperforming the FT Actuaries Europe index by 13.2 per cent. Richard Lapper looks at the sector

Attracted by the prospect of improved trading prospects and sharp increases in the value of insurers' investment portfolios, the markets favoured the European insurance sector last year, leading to increases in the capitalisation of the continent's largest companies. Nine of the leading 10 companies edged their way up the FT500 rankings.

During 1992, profits at a number of Europe's biggest general insurance companies were dented by rising claims in motor and property insurance and a fall in capital gains. Last year, though, insurers pushed through rate increases, and investors responded positively to indications of an upturn in the traditional insurance cycle.

The markets were also lured towards the sector by trends in the equity and bond markets. Insurance companies, especially in Germany, Switzerland, France and Italy, benefited from the trend towards lower interest rates which increased the value of their bond portfolios.

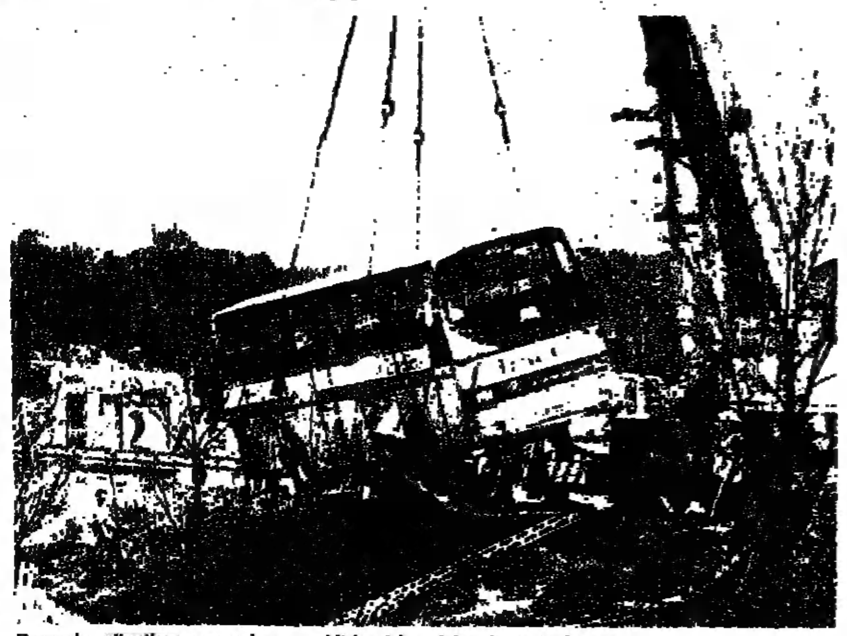
Figures produced by Barclays de Zoete Wedd, the UK securities house, show that European insurance company shares rose by 57 per cent in the 12 months to November 1993, outperforming the FT Actuaries Europe index by 13.2 per cent.

Reflecting the particularly strong performance of the German markets during the year, Germany's largest insurers all did well. Allianz Holdings, Europe's biggest insurer, increased its standing from 7th to 4th. Munich Re, the biggest reinsurer, moved up 10 places to 27. AMB Aachener & Muenchener – the German insurer whose share price almost doubled in 1993 – improved its ranking from 201 to 154, while Allianz Lebensversicherungs, listed separately from its Munich-based parent, also moved up the table by 24 places to 96.

Italy's biggest companies also figure prominently in the listings, again reflecting a combination of a strong performance of the local stock market and expectation of future profits following premium increases. Generali, the Trieste-based company – and Europe's second largest – improved its ranking from 23 to 20, while its Alleanza life insurance subsidiary, move up 43 places to 90. Alleanza's position was also strengthened by a mid-year capital raising exercise. Fondiaria, the Florence-based company which left the 500 last year following a poor performance of its share price, re-entered at number 270 (with a capitalisation of $2,022.8m) while SAI and RAS both improved their standings from number 282 to 163 and from 417 to 309.

Scandinavian companies saw the value of their shares plummet during 1992, largely as a result of confusion surrounding efforts by Uni Storebrand and Hafnia to take over Skandia, the region's biggest insurer. Following the failure of those efforts and a marked improvement in local trading conditions, Skandia's share price has recovered. It is now the 372nd largest European company with a capitalisation of $1,438m.

Trygg-Hansa SPP Holding of Sweden, and Baltica of Denmark, two other leading Scandinavian insurers caught amid the market turmoil in 1992, have also re-entered the 500, Trygg standing at 381 with capitalisation of $1,409.7m and Baltica with capitalisation of $909.9, standing at 477.


Damaging situation: companies were hit by rising claims in motor insurance

France's two largest companies also show up well, with part of the improvement here reflecting the impact of the biggest cross-border deals in the sector during the year, in which both Assurances Générales de France (AGF) and Union des Assurances de Paris (UAP) strengthened their position in the German market. During 1993, AGF issued more than 10m new shares as part of an exercise to raise capital to increase its stake in AMB from 25.1 per cent to 33.5 per cent. The issues will increase capitalisation by about Fr6.4bn.

UAP also raised about Fr1.3bn in fresh capital as part of its moves to secure control of Colonia, Germany's second biggest insurance company, from the Suez Group.

(The listings only partially reflect the impact of these moves, since only part of the AGF capital increase and all the UAP increase are included in the September 30 capitalisation figures on which the tables are based. UAP moved up from 69 to 58, while AGF rose from 110 to 80).

British insurance companies sustained record losses during 1990 and 1991, when they were hit by a combination of weather losses and recession. During 1992 there was a recovery in their fortunes, with rate increases helping two companies – Commercial Union and Guardian Royal Exchange – into profit, and reducing losses at Sun Alliance, Royal Insurance and General Accident.

The recovery continued in 1993, when each of the five companies was expected to be back in the black. Two companies – Royal Insurance and Commercial Union – repaired their balance sheets with rights issues.

Royal raised £404m in a deeply discounted rights issue in May, while CU raised £428m in February. Both companies' capitalisation increased, with Royal Insurance moving up the rankings from 303 to 189.

Other leading insurers to edge upwards include Swiss Re (up six places to 102), which, like its rival reinsurer Munich Re, has benefited from particularly attractive trading conditions in international reinsurance markets.

A string of catastrophe losses, including hurricane Andrew, the United States' most expensive natural disaster in August 1992, has depleted the reserves of the reinsurance industry, leading to increases in rates of up to 400 per cent.

■ Insurance companies by market capitalisation

	Company	$m	FT500 Rank	Sector
1	Allianz Holding	30867.4	4	151
2	Generali (Assicurazioni)	18347.3	20	151
3	Muenchener Ruckversicherungs	13975.6	27	151
4	Prudential Corporation	9827.0	56	141
5	U.A.P.	9585.5	58	151
6	Zurich Insurance	7972.5	70	151
7	AGF	7189.2	80	151
8	Alleanza	6090.2	90	151
9	Allianz Lebensversicherungs	5894.8	96	151
10	Swiss Reinsurance Group	5719.8	102	151
11	Fortis	5026.3	116	151
12	Commercial Union	5023.2	117	151
13	General Accident	4818.7	119	151
14	Aegon	4760.7	120	151
15	Sun Alliance Group	4733.2	123	151
16	Lloyds Abbey Life	4638.4	125	141
17	GAN	4033.4	141	151
18	Winterthur Versicherung	4003.2	142	151
19	AMB Aachener & Muenchener Beteil	3712.8	154	151
20	Legal & General Group	3614.9	156	141
21	RAS	3442.5	163	151
22	Royal Insurance Holdings	3017.5	189	151
23	Guardian Royal Exchange	2816.0	202	151
24	Victoria Holding	2664.5	212	151
25	Fondiaria	2022.8	270	151
26	Royale Belge	2000.4	277	151
27	SAI	1752.6	309	151
28	Baloise Holding	1582.6	343	151
29	Wuerttembergische AG Versich	1538.3	353	151
30	Volksfuersorge	1505.8	357	151
31	Toro (Assicurazioni)	1491.6	359	151
32	Skandia Forsakring	1438.1	372	152
33	Trygg-Hansa SPP Holding	1409.7	381	151
34	Britannic Assurance	1380.0	390	141
35	Mapfre (Corp)	1139.6	438	151
36	DBV	1104.3	443	151
37	Nuernberger Beteiligung	1074.5	463	151
38	Baltica Forsikring	999.9	477	151
39	Codan Group	973.7	485	151
40	Assitalia	932.1	499	151

its important ulcer treatment Tagamet also undermined support for the shares.

Wellcome dropped from 29 to 59 after disappointing underlying growth from its top-selling anti-viral product Zovirax. Preliminary results from an Anglo-French trial which suggested AZT, its treatment for Aids and HIV, might not be effective in HIV-positive people without symptoms, hit both the shares and sales.

The once high-flying Fisons dropped from 215 to 311 during a traumatic year which culminated in the sacking of the chief executive, resignation of the finance director, and second profits warning in two years. The group registered the FT500's fifth-worst fall last year. Meanwhile, Zeneca, ICI's former bioscience business, entered the FT500 at 52.

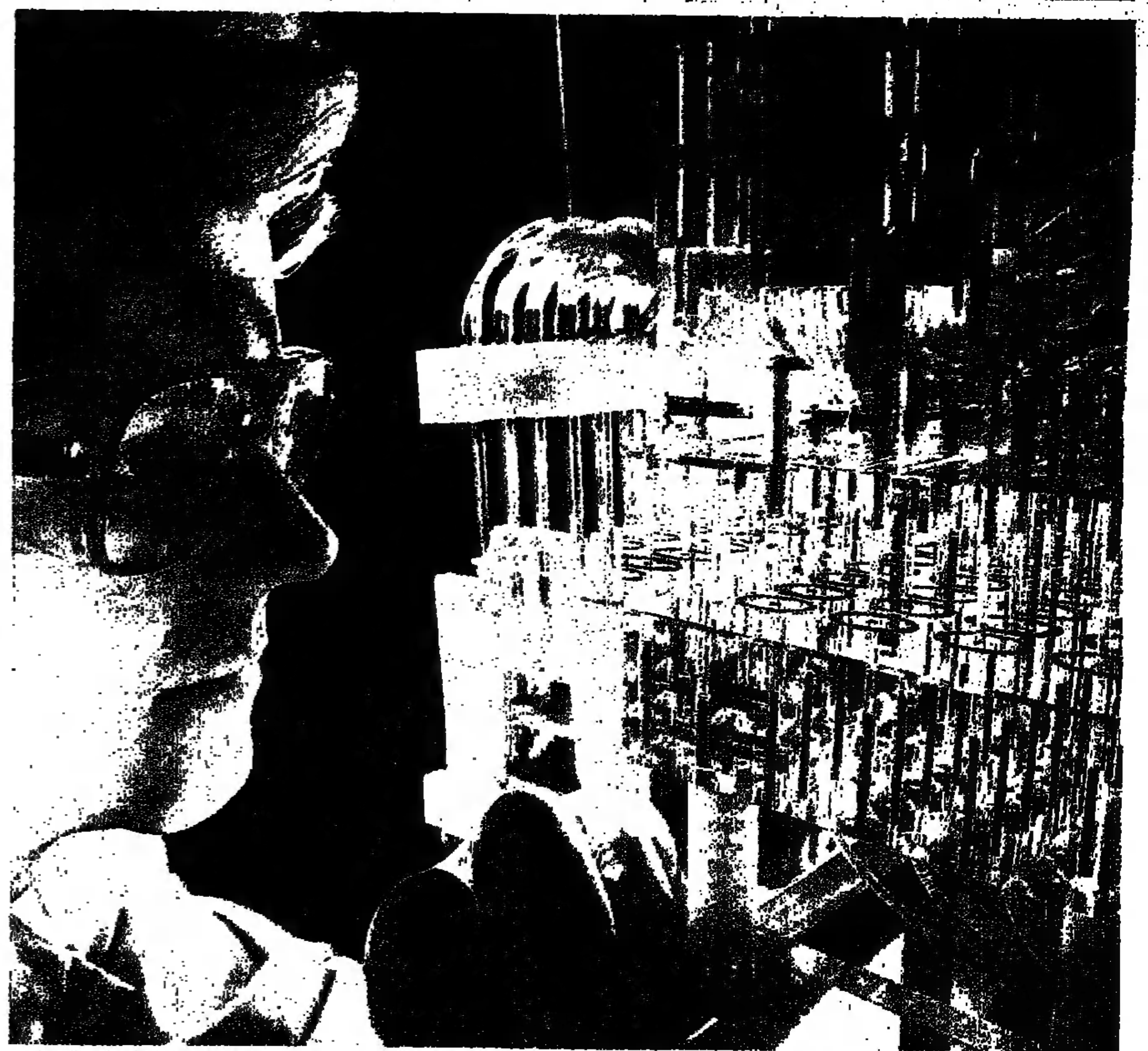
In 1992, the chemicals industry performed better than the drugs sector as investors switched into cyclical stocks. But last year, the recession in Germany and France undermined their standings.

The German groups suffered particularly. Hoechst fell from 45 to 55 as its profits plunged during the first nine months by 40 per cent and its chairman hinted of another dividend cut.

BASF also dropped from 56 to 63, as its pre-tax earnings during the first nine months fell 44 per cent and it also warned of another dividend cut. DSM, the Dutch petrochemicals group, was one of the FT500's biggest fallers, down from 218 to 395, reflecting the dire state of Europe's plastics industry.

ICI fell from 28 to 71, but the apparent collapse was due more to the company's split into two separate groups than any particular problems at the British chemical concern. Rhône-Poulenc of France entered the FT500 at 79 after its privatisation by the French government last year. Laporte was one of the few climbers in the sector, up from 306 to 284 following its acquisition of Evode.

The industrial gases businesses which had proved a haven from the recession fared less well in 1993. L'Air Liquide fell from 52 to 72, BOC dropped from 80 to 128, and AGA slumped from 208 to 225.


Testing time for Glaxo: Europe's largest drugs company by sales slipped down the FT500 from second to seventh

■ PHARMACEUTICALS AND CHEMICALS

Wonder stocks lose their allure

Apart from Roche, the drugs sector had a poor year. The recession also undermined the standings of many chemical companies. **Paul Abrahams** reports

The wonder stocks of late 1980s and early 1990s, pharmaceuticals companies had a mixed year last year. While a few, such as Roche of Switzerland and Schering of Germany, *did more than creditably*, others gave their investor relations officers some considerable problems explaining their performance.

Overall, the drugs sector endured a poor year. Of Europe's top 10 pure pharmaceuticals stocks, six saw their position in the FT500 fall and two were stationary, while only two – Roche and Schering – moved up the rankings.

The reasons for such a disappointing performance were not hard to find. Healthcare reform implemented in Germany and Italy knocked sales back. IMS International, the market research group, estimated European pharmacy drugs sales in the seven largest markets were static during the first nine months last year. That compared with 8 per cent growth during the whole of 1992. The German market during the first nine months was down 10 per cent and Italian sales down 8 per cent.

At the same time, pharmaceuticals stocks suffered from fears about President Clinton's healthcare reforms. These were delayed from the spring to the autumn, adding uncertainty. Investors remained wary of the sector's shares as analysts attempted to estimate the impact of the plan on drugs groups' profits.

The outstanding exception to the rule was Roche whose market capitalisation overtook not only Glaxo, Europe's largest drugs company by sales, but also Merck & Co of the US, the world's largest pharmaceuticals company. The Swiss group marched up the FT500 from sixth position in 1992 to third last year.

Roche's outstanding year was partly because it was relatively immune to the US healthcare reform. Although about 40 per cent of its drugs division's sales are in the US, about half of these are to hospitals which are not affected by President Clinton's proposals. In addition, the group has a strong portfolio of new drugs driving impressive volume growth.

US brokers Lehman Brothers expect Roche to generate volume growth of 13 per cent until late 1995, an impressive achievement in such a difficult healthcare environment. They forecast Roche's pre-tax profits to increase from SFr2.6bn in 1992 to SFr3bn last year and SFr3.8bn this year.

Schering's performance last year has also been impressive, its position rising from 155 to 137. The company has sold its chemical operations and merged its troubled agrochemicals business with that of Hoechst, enabling it to become a pure pharmaceuticals company. At the same time, it revealed Betaseron, the first effective treatment for multiple sclerosis. Goldman Sachs expects compound earnings growth this year and next to be an impressive 30 per cent.

Institut Mérieux, the French group, moved up from 253 to 216 as its vaccines operations continued to perform well.

The rest of the sector disappointed, unable to escape investors' fears about the market and their decision to switch into cyclical stocks capable of benefiting from an economic recovery.

Glaxo's market capitalisation suffered considerably over the past 12 months, and its ranking fell from second to seventh. Astra, the Swedish group and Glaxo's main rival, remained static at 32nd. Locally its shares did well, but in dollar terms it was held back by the devaluation of the Swedish krona.

Sandoz of Switzerland slipped from 20 to 21, while its neighbour Ciba dropped from 24 to 25. Bayer of Germany was static at 34th.

Among the British stocks, SmithKline Beecham fell from 11 to 23 as it was hit hard by the Italian reforms. Fears about the expiry this year of the US patents for

Continued on next page

■ Pharmaceuticals and chemicals companies by market capitalisation

	Company	$m	FT500 Rank	Sector
1	Roche Holding	35883.8	3	822
2	Glaxo Holdings	29176.5	7	433
3	Sandoz	16740.3	21	433
4	Smithkline Beecham	15609.6	23	433
5	Ciba	14154.9	28	622
6	Astra	12595.0	32	433
7	Bayer	12333.8	34	622
8	L'Oreal	11558.0	42	432
9	Zeneca	10363.9	52	433
10	Hoechst	9971.0	55	622
11	Wellcome	9185.0	59	433
12	BASF	9064.6	63	622
13	Imperial Chemical Industries	7871.3	71	622
14	L'Air Liquide	7885.3	72	621
15	Rhone-Poulenc	7279.7	79	622
16	Procordia	6797.5	82	433
17	Viag	4890.1	118	622
18	BOC Group	4548.3	126	622
19	Akzo	4329.7	133	622
20	Schering	4184.9	137	622
21	Elf Sanofi	3808.8	152	433
22	Reckitt & Colman	3551.5	157	431
23	Rentokil Group	3181.5	181	622
24	Courtaulds	3159.3	182	621
25	Solvay	2910.1	197	622
26	Novo Nordisk	2808.6	203	433
27	Institut Merieux	2630.4	216	433
28	AGA	2518.1	225	621
29	Roussel-Uclaf	2397.4	234	622
30	Smith & Nephew	2285.7	245	431
31	Synthelabo	2112.7	262	433
32	Beiersdorf	1931.0	281	432
33	Laporte	1895.5	284	622
34	Degussa	1874.7	289	622
35	Christian Dior	1803.3	302	432
36	Fisons	1749.9	311	433
37	Cookson Group	1666.5	326	621
38	DSM	1352.6	395	622
39	Gambro	1250.4	415	433
40	Gehe	1238.7	417	433
41	Ems-Chemie	1218.2	420	622
42	Altana	1159.9	434	433
43	Nobel Industries	1056.2	463	622
44	Montedison	1033.8	468	822
45	Allied Colloids Group	977.6	484	622

■ PROPERTY

Wall of money seeks bricks and mortar

The stock market values of companies in the UK have rebounded strongly. **John Thornhill** considers whether this turnaround will lead to a recovery in Europe

Even a cursory glance at the property companies in the FT500 list is enough to highlight the two most significant trends in the European market this year.

The UK property sector has experienced a striking reversal of fortune. The stock market values of UK property companies have rebounded strongly, lifting Land Securities and MEPC far higher in the rankings and pushing four UK companies back into the list.

By contrast, many segments of the property markets in mainland Europe have remained mired in recession with the one Dutch and two French companies included in the FT500 slipping further down the list.

With hindsight, the turning point for UK property came when the pound fell out of the exchange rate mechanism in September 1992, enabling the government to cut interest rates. The surge in equities and the subsequent drop in long-dated gilts yields highlighted the comparatively attractive returns from property. The double-digit yields then available on prime property stimulated interest among institutional and overseas buyers. A wall of money, estimated at up to £10bn, began searching for a home in bricks and mortar.

This wave of investment has resulted in a sharp decline in property yields. But, as usual, the stock market was quick to anticipate the trend. Property is inherently a lumpy, illiquid class of asset and shares are more readily tradeable. Since the pound's departure from the ERM, the quoted property sector has almost tripled in value to £15bn.

Property companies have been quick to take advantage of this flush of enthusiasm. Many companies with heavy debts and stretched balance sheets eagerly sought the chance to tap the stock market for fresh funds.

The biggest UK property companies raised some £1.4bn of equity finance, helping to expand the sector's market capitalisation and secure the company's dividend base.

Britain's largest property company, Land Securities, has jumped 28 places up the FT500 rankings to 108. MEPC, which struggled during recession because of its exposure to the London office market, registered one of the largest rises in the list, climbing from 299 to 193.

Four other UK property companies, which were among Europe's biggest 500 companies before recession struck, have returned to the rankings. British Land excited considerable interest in the sector by linking up with Mr George Soros, the hedge fund manager. Slough Estates, which concentrates mainly on industrial property, has seen activity pick up quicker than in previous recoveries. And Hammerson Property and Great Portland Estates are expected to show a marked improvement in asset values given their weightings in the commercial office sector.

But although the investment and equity markets have rocketed, the underlying health of the property market has remained fragile. The worry for UK property companies is that the striking turnaround in sentiment has not yet been matched by a commensurate improvement in the fundamentals of the underlying property market.

Many sectors of the market are still suffering the effects of the huge surplus of space that came on stream in the 1980s. Rents for many types of properties are continuing to fall and the worst-hit sectors, such as office property in the west end of London, have experienced a 60 per cent fall in rental levels since their peak in 1990.

Office rents in many parts of the UK will remain under pressure as service companies shed staff to improve productivity levels. Employment levels in other parts of the economy may only pick up slowly.

In mainland Europe, the effects of recession are still evident in many areas of the property market although it is difficult to generalise about various patterns in different sectors and regions. The Paris office market has fallen away sharply with overcapacity increasing and rental levels recording steep declines.

But the two French companies in the FT500 rankings have remained largely immune from these problems given their exposure to the residential market. Both Sefimeg and Simco have provided a relatively safe haven for investors in the French property sector and have experienced only marginal falls in the rankings. That stability, though, may count against them in investors' eyes in the upturn when those companies more highly geared to recovery experience a faster rebound in earnings and asset values.

A similar story may hold true for Rodamco, the Dutch property company, which has slipped only slightly in the rankings from 130 to 135. Its diversified international portfolio has given it protection in the downturn in mainland Europe. Earlier this month, Rodamco forecast unchanged net profits and dividends for the year and substantially lower write-downs on property, largely as a result of a positive contribution from its UK investments.

Those investors brave enough to invest in the UK in the trough of recession have already seen substantial returns. If all the investment funds seeking a home in the UK cannot be absorbed, the braver souls may see attractions in picking up assets in the most cyclically depressed markets of mainland Europe.

■ *Property companies by market capitalisation*

	Company	$m	FT500 Rank	Sector
1	Land Securities	5246.7	108	161
2	Rodamco	4213.0	135	161
3	MEPC	2837.3	193	161
4	British Land	1739.1	313	161
5	Slough Estates	1478.2	362	161
6	Simco	1398.4	386	161
7	Sefimeg	1391.3	388	161
8	Hammerson Property	1360.1	394	161
9	Great Portland Estates	1000.4	475	161

■ CONSTRUCTION

The build-up to recovery begins

Companies have had a poor year. But there are signs of improvement, says **Andrew Taylor**

It has been a horrid year for most European construction companies. Profits have tumbled. Domestic building and civil engineering markets have shrunk and large numbers of construction workers have been laid off as companies have *closed or reduced capacity.*

The only consolation has been found in stock markets where share prices, particularly of British contractors and building material suppliers, have risen sharply, indicating that investors believe that bottom may be approaching and that, at least in the UK, recovery may be round the corner.

The reason for this resurgence in shareholder optimism has been the continuing low levels of European and US interest rates.

This is perceived to have two beneficial effects. The first and most important of these is to reduce the cost of borrowing to finance new construction of factories, homes and offices. Secondly, lower interest rates encourage greater investment in equities, including construction shares, by reducing returns available on cash deposits.

A slow recovery in US construction markets, together with the indications that a similar thaw may at last be getting under way in the UK, has further assisted investment sentiment in companies with exposure to these markets.

As a result, the rankings of the 29 construction and building material companies included in *the latest FT European 500* generally enjoyed a modest improvement in 1993, in spite of publishing some very poor profits figures.

Of the 17 companies to increase their rating – including three new entries – nine were British and a tenth, CRH, was Irish.

The improvement in the ranking of continental European companies Lafarge Coppée and Holderbank, the French and Swiss cement companies, has more to do with their large US interests than any strength *in continental markets which generally* struggled in 1993.

Lafarge Coppée, the second largest construction company by market capitalisation in the FT European 500, rose from 153rd to 131st in the overall table. Holderbank rose from 241st to 183rd.

Saint Gobain, the French glass maker with the largest market capitalisation in the sector, saw its overall rating fall 20 places to 81st position.

The company suffered because of its *exposure to the declining French construction* market which has been hit harder than most as the recession has moved to the European mainland.

EuroConstruct, representing construction research agencies and economic forecasting bodies in 15 European countries, estimates that the volume of construction output, measured in constant prices, fell by about 3 per cent in western Europe last year.

It forecasts a further fall of 0.3 per cent *this year with further declines in output* expected in Belgium, France, Italy, the Netherlands, Sweden and Finland.

UK construction output, by contrast, is forecast to rise by just 0.9 per cent, having fallen by 14 per cent in the previous three years.

Growth rates in Germany have slowed considerably with continuing strong demand for more and better housing in eastern Germany offset by reduced investment in the west as the national economy has come under increased pressure.Output is forecast by EuroConstruct to rise by just 1.5 per cent in 1994.

No German construction company improved its FT 500 rating last year, with *four out of the five companies reducing* their ranking. Hochtief, the best performer, only just maintained its place in 150th position.

Three new construction-related companies joined the 500. These were Lapeyre, *the French joinery group*, which was floated last year; Dragados, the Spanish contractor and Wimpey of the UK.

The British contractor crept into 494th position in spite of announcing a $171.4m loss for 1992, the worst result in its 100-year history.

Wimpey has since moved back into the black, making a pre-tax profit of $1.6m in the first half of last year. Net debt as a proportion of shareholders' funds fell to 36 per cent at the end of June following the group's $155m rights issue.

UK housebuilders raised $701m from rights issues last year, including $321m from Tarmac. The money was needed to repair balance sheets and provide cash to buy land to take advantage of the fragile UK housing recovery which got under way last year.

British building material companies such as Redland, Blue Circle, RMC, BPB Industries and Pilkington have also benefited from a resurgence in British building material prices as markets for their products have improved and manufacturing capacity of cement, bricks and structural steel has reduced in the recession.

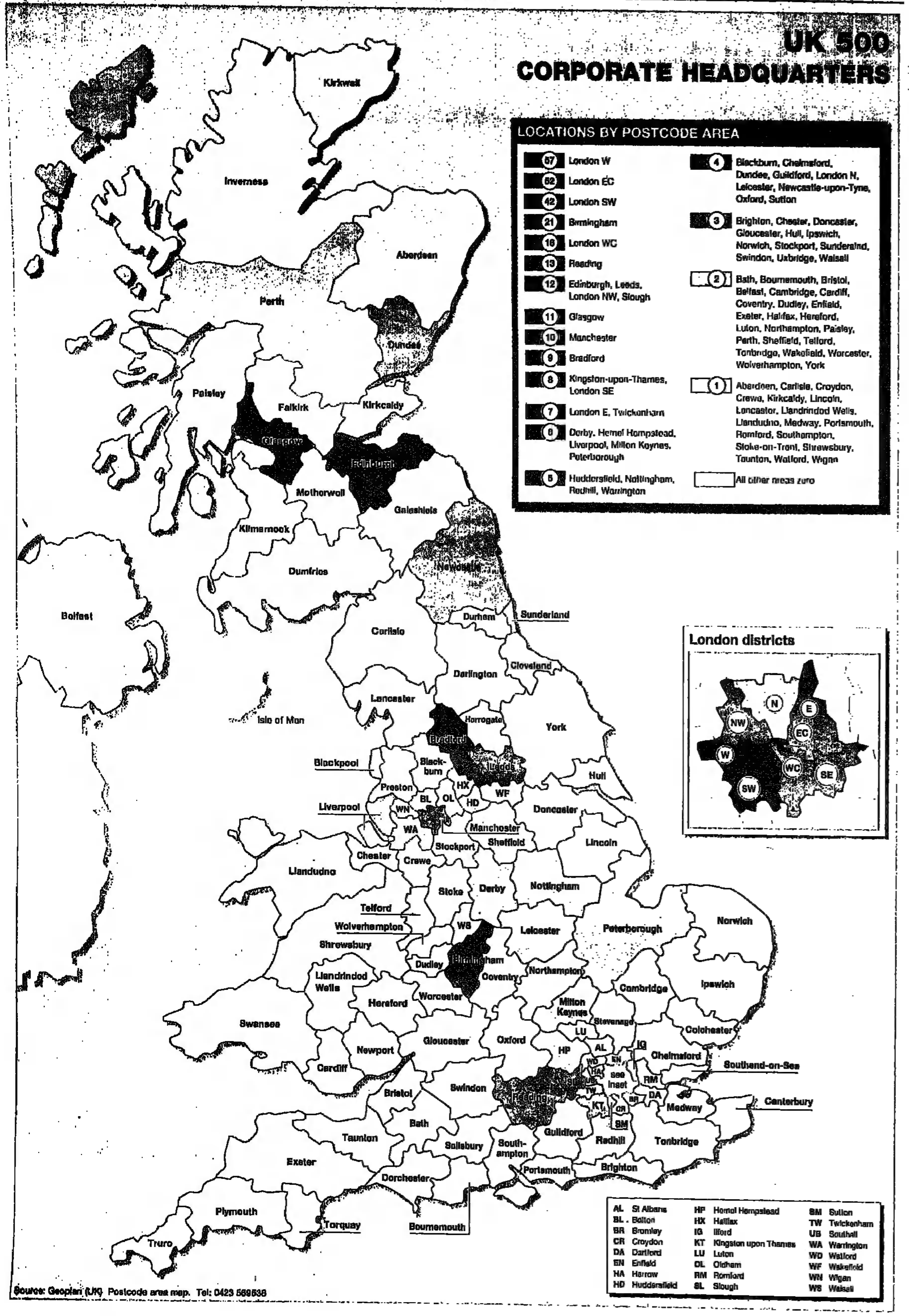
However, some British stock market *analysts believe that the rise in share* prices of UK construction and building materials companies may be coming to an end since the modest rate of recovery predicted for the industry does not justify the rating that some of these companies are now on.

■ Annual pre-tax profits published last year for the 29 contractors and building material companies in the FT500 fell by 27.7 per cent to $3.18bn with British companies among the worst affected, *reflecting the depth of the property recession* during 1992. The 29 accounted for 1.96 per cent of the total published profits of FT500 companies compared with 2.47 per cent the previous year.

EuroConstruct Forecasts: £390, Princes House, 39 Kingsway, London WC2 B6TP.

■ Leading building and construction companies by market capitalisation

	Company	$m	Rank	Sector
1	Saint-Gobain	7027.5	81	611
2	Lafarge Coppée	4370.3	131	611
3	Redland	4339.8	132	611
4	Hochtief	3869.4	150	613
5	Holderbank Management	3143.6	183	611
6	Blue Circle Industries	2970.4	190	611
7	Wolseley	2638.6	214	611
8	RMC Group	2378.9	237	611
9	Bouygues	2361.6	239	613
10	Skanska	2231.6	252	613
11	BPB Industries	2040.9	266	611
12	Tarmac	2015.0	272	613
13	Heidelberger Zement	1984.7	278	611
14	Pilkington	1776.5	308	611
15	Holzmann (Philipp)	1751.0	310	613



Source: Geoplan (UK) Postcode area map. Tel: 0423 569538

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